

CAPITA

TROY
ASSET MANAGEMENT



Trojan Investment Funds

Interim Unaudited Report and Financial Statements
31 July 2013

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

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ACD'S REPORT
FOR THE HALF YEAR ENDED 31 JULY 2013

AUTHORISED STATUS

Trojan Investment Funds ('the Company') is an open-ended investment company ('OEIC') with variable capital incorporated in England and Wales under registration number IC000280 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.

IMPORTANT INFORMATION

We have updated the Prospectus to comply with the new Financial Conduct Authority rules introducing 'protected cells' for umbrella OEICs in the UK. The Company is an umbrella OEIC. Previously, each sub-fund of a UK umbrella OEIC effectively had its own pool of assets but could not be treated as a separate legal entity. As such, each of the sub-funds' assets were not legally ring-fenced and consequently it was possible that if the liabilities of another sub-fund within the same umbrella exceeded its assets, a creditor could pursue one or more other sub-funds in that umbrella to satisfy its debt. The effect of the new rules is to legally protect assets in each sub-fund from the creditors of other sub-funds and, as such, these changes are deemed to be in the investors' interest. Additionally, the investment and borrowing powers of the Company have been amended to allow a sub-fund to now invest in, or dispose of, shares in another sub-fund in the Company, providing that the second sub-fund does not invest in any other sub-fund in the Company.

With effect from 3 April 2013, the Trojan Income Fund has been operating as a master UCITS to an Irish feeder UCITS, the Trojan Income Feeder Fund (Ireland), a sub-fund of Trojan Funds (Ireland) plc. For this purpose, the new 'Z' share class has been introduced, which is only available for investment by the feeder UCITS.

Please be advised that the following changes to Trojan Income Fund took effect on 1 May 2013:

- Increase Investment Minima from £1,000 to £250,000; and
- Increase Initial Charge from Nil to 5%.

Both changes are applicable to the 'O', 'I' & 'S' classes only and will not impact existing investors.

Full details of the changes can be found in the revised Prospectus dated 28 March 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
26 September 2013

AGGREGATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

AGGREGATED STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 31 JULY 2013

	31.07.13	31.07.12
	£	£
Income:		
Net capital gains	42,792,228	63,907,158
Revenue	56,431,989	39,735,729
Expenses	(21,472,734)	(15,031,451)
Finance costs: Interest	(7,799)	—
Net revenue before taxation	34,951,456	24,704,278
Taxation	(2,060,324)	(1,299,553)
Net revenue after taxation	32,891,132	23,404,725
Total return before distributions	75,683,360	87,311,883
Finance costs: Distributions	(31,100,302)	(21,666,411)
Change in net assets attributable to shareholders from investment activities	44,583,058	65,645,472

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

	31.07.13	31.07.12
	£	£
Opening net assets attributable to shareholders	3,695,951,206	2,401,284,821
Amounts receivable on issue of shares	426,033,216	651,520,138
Amounts payable on cancellation of shares	(139,276,490)	(32,524,147)
	286,756,726	618,995,991
Dilution levy charged	5,035,724	4,403,256
Stamp duty reserve tax	(680,224)	(183,658)
Change in net assets attributable to shareholders from investment activities	44,583,058	65,645,472
Retained distribution on Accumulation shares	10,842,525	8,385,725
Closing net assets attributable to shareholders	4,042,489,015	3,098,531,607

The above statement shows the comparative closing net assets at 31 July 2012 whereas the current accounting period commenced 1 February 2013.

	31.07.13	31.01.13
	£	£
ASSETS		
Investment assets	3,850,447,886	3,529,267,813
Other assets		
Debtors	12,983,355	19,689,160
Cash and bank balances	<u>225,930,235</u>	<u>236,002,027</u>
Total other assets	238,913,590	255,691,187
Total assets	<u>4,089,361,476</u>	<u>3,784,959,000</u>
LIABILITIES		
Investment liabilities	(16,281,827)	(7,957,300)
Other liabilities		
Creditors	(8,582,221)	(53,710,361)
Bank overdrafts	–	(5,041,354)
Distribution payable on		
Income shares	<u>(22,008,413)</u>	<u>(22,298,779)</u>
Total other liabilities	(30,590,634)	(81,050,494)
Total liabilities	<u>(46,872,461)</u>	<u>(89,007,794)</u>
Net assets attributable to shareholders	<u>4,042,489,015</u>	<u>3,695,951,206</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 January 2013 and are described in those annual financial statements.

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.

TROJAN FUND
ACD'S REPORT
 FOR THE HALF YEAR ENDED 31 JULY 2013

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
 26 September 2013

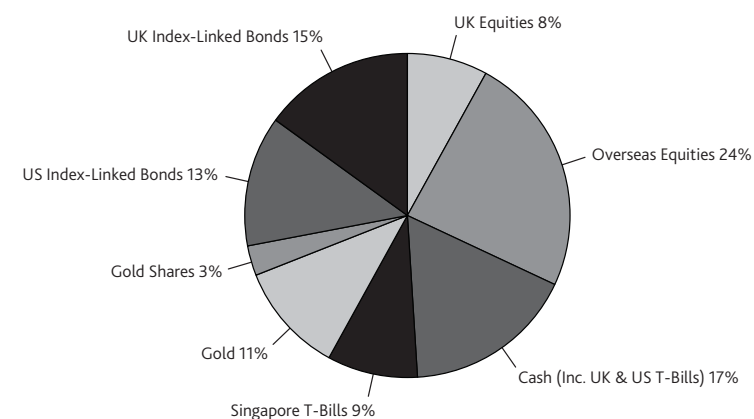
INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

For the six months to 31 July 2013, the Fund produced a total return of -1.5% compared to a return of +0.2% in the LIBID Index (total return)* and +8.9% in the FTSE All-Share Index (total return)*.

** Source: Lipper, net income reinvested at ex-dividend date, sterling terms. The benchmarks are used by the Investment Manager for comparative purposes only. No benchmarks are required to be disclosed as per the Prospectus.*

ASSET ALLOCATION AS AT 31 JULY 2013



Source: Troy Asset Management.

MARKET REVIEW

Since the FTSE All-Share Index bottomed in March 2009, the index has virtually doubled in value. Owning equities has been very profitable and investors were clearly well-rewarded in the period. For the most part though, it has not been a comfortable journey. Post the collapse of Lehman Brothers in September 2008 confidence and trust in capital markets have regularly been tested by sovereign debt crises, especially here in Europe, but also in the United States. However, over the past twelve months uncertainty has given way to certainty and disbelief to faith. Investors now have great stock in the ability of central bankers to indirectly finance governments, keep both inflation and interest rates low and asset prices high. The mood music appeared to change when in June 2012 the President of the European Central Bank, Mario Draghi, said that he would 'do whatever it takes to preserve the euro'. Investors have taken him at his word. Bad news not getting horrendously worse has been enough for investors to behave bullishly. Two years ago, pandemonium would have broken out had there been a default on customer bank deposits in the eurozone. But in May there was hardly a murmur when the entire Cypriot banking sector was declared insolvent. The episode has been long forgotten by most except those who saw their savings confiscated.

TROJAN FUND

ACD's Report (continued)

Investment Manager's Report (continued)

MARKET REVIEW *(continued)*

For over a year now, we have felt that being fully invested in the equity market carried too great a risk to our priority of protecting your capital. Our caution has proved at best unnecessary and at worst unprofitable as we failed to participate in a major equity market rally. But such short-term missed opportunities are the price we pay for dependable and sustainable wealth protection and growth over the long-term. Complacency is an enemy of successful investing and so is panic. It is frustrating not to have enjoyed the gains that a more aggressive investment style could have earned over the period covering the interim report, but that is water under the bridge. If we were convinced that the UK market as represented by the FTSE 100 Index looked expensive at 6,000 then it must be no surprise that we find it even less appealing at a level of 6,700. Needless to say we will wait for the market to come to us than rush after the market.

Missing a stock market advance is always disappointing, but what has been even more disappointing has been the recent price behaviour of the portfolio's inflation protection, namely gold and index-linked bonds. Gold fell over 20% in sterling terms over the six months and our collection of index-linked bonds fell by around 5%. We hold these primarily not for how much reward we think they will provide, but to preserve the real value of your investment against the capital erosion of inflation. In our opinion, markets have become more myopic and are more influenced by the here and now than the there and later. Faith in the Federal Reserve and the suppression of inflation has led investors to abandon their inflation-protection securities. We agree with the insight of market historian Jim Grant, who argues that the price of gold is the reciprocal of the world's confidence in central banks. Central bankers have rarely been more admired, so it is unsurprising to have seen the gold price swoon. We do not expect that admiration to last. We also do not mistake the absence of the evidence of inflation in the recent past for evidence of its future absence. Gold and index-linked securities have crucial roles to play against a force that rarely preannounces itself. We are confident that short-term falls in the price of these assets will not lead to falls in their long-term value. But it is painful to be punished for prudence.

PORTFOLIO REVIEW

Portfolio activity was muted over the period. Expensive and rising stock markets thwarted any opportunity to meaningfully add to our equity allocation. However, there were episodic pockets of value and we were able to add to our core holdings of Coca-Cola Company, Imperial Oil and Reynolds American. A great business being available at a good price will always demand the commitment of capital and override whatever wider fears there may be.

We made one brand new equity investment... of a sort. We purchased a holding of Better Capital 2012, the newest vintage from the Better Capital team, having enjoyed the fruits of its labour on the 2009 fund. The 2012 fund owns the parcel delivery and distribution business, City Link; the UK high-end fashion brand and retailer, Jaeger; and the double glazing installer, Everest. All three businesses have been poor performers for their various previous owners and we back the Better Capital team to improve operations and profitability to increase portfolio value.

Inflation is the dog that hasn't barked and so investors have been wondering why they hold inflation insurance. This thinking and rising real interest rates contributed to the sharp falls in gold bullion, gold mining equities and inflation-linked bonds. We still believe that over-indebtedness and extraordinary monetary policy will lead to a step-up in the levels of inflation that savers will be forced to tolerate. We therefore increased the Fund's holdings of both Gold Bullion Securities and the US index-linked bonds.

It is unusual for healthcare stocks to be at the vanguard of a rising and frothy market, but these are unusual times. Johnson & Johnson saw its share prices rise by around 25% despite earnings expectations that hardly set our pulses racing. The shares have re-rated from 14 times 2013 expected earnings to 17 times. We felt that was quite rich for a company that has made several expensive acquisitions and heavily invested in research in the hope of reinvigorating only tepid revenue growth. The returns from all this investment are uncertain and we believe that the current share price is discounting only good news, so we made the decision to sell.

BG Group was also sold. Our bias is to invest in companies that require very little incremental capital to sustain their operations. If a business does not require much on-going capital then operating cashflows can be distributed to shareholders through share repurchases and dividends. Energy businesses are on a challenging treadmill of having to spend ever more on developing new reserves to replace those they have lost through production. BG Group is spending billions of pounds on complex projects in Brazil and Australia and we are unsure of the returns investors will enjoy/endure from all of this expenditure.

OUTLOOK

It was over-indebtedness that led to the last financial crisis, so it is perverse that even greater indebtedness is welcomed by most as a way to attain economic growth as an unquestioned end in itself. There is no absolute number or certain ratio that tells you when a debt problem becomes a debt crisis. Greece, Ireland and Cyprus all had different triggers. So too will Japan, the US and the UK.

Confidence and cheapness are like night and day. If one is present in abundance the other is likely to be conspicuous by its absence. Sadly, we can observe plenty of confidence within asset markets and not much value. We are therefore more focussed on avoiding risk than hunting for reward. The Fund's asset allocation is undoubtedly cautious as we look to protect what we have. In our judgement most asset classes look at best fair value or at worst egregiously expensive. Investors not only hope for limited financial market downside, but now expect and even demand it. Several commentators imply that it is 'heads you win and tails you don't lose'. If the US economy improves to the point that Quantitative Easing ('QE') is judged to be no longer required then what is good for business is good for stocks. Conversely, if the economy does not respond sufficiently to all the prodding from QE, then QE will continue, which has demonstrably been great for stock market returns. That the market tends to rise whatever the news flow, good or bad, suggests that scepticism is scarce and complacency common. Blind faith in the skill of central bankers has certainly led many investors to believe that risk has been eliminated, but appearances can be deceptive. We do not expect to be able to deliver the attractive returns and low volatility that we have in the past until valuations become more appealing. To avoid disappointment, investor expectations may need to be tempered.

All market data sourced from Bloomberg, unless stated otherwise.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

21 August 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*	214.17	197.93	1.5038

'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*	254.16	234.89	1.7822

'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*	213.70	197.27	0.4694

'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*	247.93	228.87	0.5457

'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*	214.42	198.28	2.0247

'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*	258.08	238.65	2.4281

* To 31 July 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
31.07.13	'O' Income	917,842,525	451,837,127	203.14
	'O' Accumulation	763,359,042	315,277,392	242.12
	'I' Income	91,626,289	45,164,953	202.87
	'I' Accumulation	438,179,039	185,823,787	235.80
	'S' Income	293,420,855	144,343,139	203.28
	'S' Accumulation	60,333,298	24,519,690	246.06

ONGOING CHARGES FIGURE

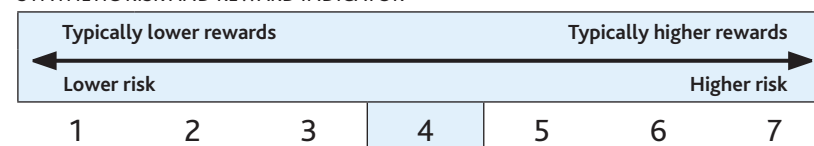
Expense Type	31.07.13 %		
	'O'	'I'	'S'
ACD's periodic charge	1.00	1.50	0.75
Other expenses	0.03	0.03	0.03
	1.03	1.53	0.78
Collective investment scheme costs	0.04	0.04	0.04
Ongoing charges figure	1.07	1.57	0.82

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 over a 12 month 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.

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 the Fund.

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

TROJAN FUND

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

DISTRIBUTIONS

Share Class	Interim 31.07.13 pence per share
'O' Income	0.8949
'O' Accumulation	1.0611
'I' Income	0.3759
'I' Accumulation	0.4379
'S' Income	1.1545
'S' Accumulation	1.3862

FUND PERFORMANCE TO 31 JULY 2013 (%)

	6 months	1 year	3 years	5 years
Trojan Fund	-1.52	-0.26	23.54	58.07

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

PORTFOLIO STATEMENT AS AT 31 JULY 2013

Holding	Portfolio of Investments	Value £	Total Net Assets 31.07.13 %	31.01.13 %
DEBT SECURITIES				
SG\$110,250,000	Monetary Authority of Singapore 0% 23.08.13	57,075,343	2.22	
SG\$71,000,000	Monetary Authority of Singapore 0% 13.09.13	36,750,760	1.43	
SG\$52,500,000	Monetary Authority of Singapore 0% 20.09.13	27,173,566	1.06	
SG\$88,000,000	Monetary Authority of Singapore 0% 11.10.13	45,541,281	1.78	
SG\$111,000,000	Monetary Authority of Singapore 0% 18.10.13	57,441,066	2.24	
£46,200,000	UK Treasury 0% 12.08.13	46,194,548	1.80	
£124,500,000	UK Treasury 0% 27.08.13	124,466,946	4.85	
£43,800,000	UK Treasury 0% 02.09.13	43,787,371	1.71	
£72,000,000	UK Treasury 0% 23.09.13	71,964,000	2.81	
£26,000,000	UK Treasury 0% 21.10.13	25,978,464	1.01	
£103,025,500	UK Treasury 0.125% index-linked 2024	111,400,134	4.34	
£99,603,000	UK Treasury 1.875% index-linked 2022	149,991,958	5.85	
£32,496,000	UK Treasury 2.5% index-linked 2020	120,474,176	4.70	
US\$71,380,000	US Treasury 0% 24.10.13	47,079,117	1.84	
US\$252,050,000	US Treasury 0.125% Inflation Protected Securities 2022	169,386,607	6.60	
US\$94,500,000	US Treasury 0.625% Inflation Protected Securities 2021	66,699,270	2.60	
US\$64,000,000	US Treasury 1.25% Inflation Protected Securities 2020	49,438,667	1.93	
US\$65,400,000	US Treasury 1.375% Inflation Protected Securities 2020	50,749,979	1.98	
	TOTAL DEBT SECURITIES	1,301,593,253	50.75	48.09
EQUITIES				
UNITED KINGDOM				
	OIL & GAS	—	—	0.28

TROJAN FUND

ACD's Report (continued)

Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.07.13 %	31.01.13 %
	CONSUMER GOODS			
	BEVERAGES			
291,519	Barr (A.G.)	1,577,118	0.06	
1,252,500	Diageo	25,695,037	1.00	
		<u>27,272,155</u>	<u>1.06</u>	<u>1.01</u>
	FOOD PRODUCERS			
1,264,000	Unilever	33,736,160	1.31	1.31
	TOBACCO			
2,096,000	British American Tobacco	73,485,760	2.87	2.77
	TOTAL CONSUMER GOODS	<u>134,494,075</u>	<u>5.24</u>	<u>5.09</u>
	HEALTH CARE			
	PHARMACEUTICALS & BIOTECHNOLOGY			
1,337,000	GlaxoSmithKline	22,508,395	0.88	0.78
	CONSUMER SERVICES			
	FOOD & DRUG RETAILERS			
1,757,022	Greggs	7,604,391	0.30	0.34
	FINANCIALS			
	EQUITY INVESTMENT INSTRUMENTS			
9,091,011	Better Capital 2009	13,636,516	0.53	
5,010,000	Better Capital 2012	5,210,400	0.20	
3,618,332	Better Capital 2012 rights	18,092	-	
2,929,839	Mithras Investment Trust	3,574,404	0.14	
		<u>22,439,412</u>	<u>0.87</u>	<u>0.70</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.07.13 %	31.01.13 %
	TECHNOLOGY			
	SOFTWARE & COMPUTER SERVICES			
9,506,172	Sage Group (The)	33,319,133	1.30	1.30
	TOTAL UNITED KINGDOM	<u>220,365,406</u>	<u>8.59</u>	<u>8.49</u>
	CONTINENTAL EUROPE			
752,000	Nestlé	33,472,394	1.30	1.34
	AUSTRALIA			
2,814,000	Newcrest Mining	20,372,642	0.79	1.75
	NORTH AMERICA			
1,000,000	Agnico-Eagle Mines	18,703,012	0.73	
2,304,150	Altria Group	53,300,802	2.08	
1,230,000	Becton, Dickinson and Company	84,117,689	3.28	
490	Berkshire Hathaway	56,218,633	2.19	
1,990,000	Coca-Cola Company (The)	52,636,218	2.05	
874,000	Colgate-Palmolive Company	34,520,769	1.35	
2,800,108	Imperial Oil	78,331,107	3.05	
5,720,000	Microsoft Corporation	120,093,610	4.68	
2,150,000	Newmont Mining Corporation	42,544,845	1.66	
558,334	Philip Morris International	32,909,741	1.28	
1,810,000	Reynolds American	59,002,246	2.31	
	TOTAL NORTH AMERICA	<u>632,378,672</u>	<u>24.66</u>	<u>23.60</u>
	COMMODITIES			
129,531	BlackRock Gold and General*	1,056,977	0.04	
786,900	ETFS Physical Swiss Gold*	66,899,982	2.61	
2,470,000	Gold Bullion Securities*	205,072,023	8.00	
	TOTAL COMMODITIES	<u>273,028,982</u>	<u>10.65</u>	<u>12.29</u>
	FORWARD CURRENCY CONTRACTS			
US\$(755,000,000)	Vs £482,327,951 (expiry 18.09.13)	<u>(15,840,024)</u>	<u>(0.62)</u>	<u>(0.30)</u>

TROJAN FUND

ACD's Report (continued)

Portfolio Statement (continued)

	Value £	Total Net Assets	
		31.07.13 %	31.01.13 %
Portfolio of investments#	2,465,371,325	96.12	95.26
Net other assets	99,389,723	3.88	4.74
Net assets	<u>2,564,761,048</u>	<u>100.00</u>	<u>100.00</u>

All investments 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 HALF YEAR ENDED 31 JULY 2013

Total purchases for the half year **£64,279,153**

Purchases	Cost £
Gold Bullion Securities	25,605,530
Reynolds American	12,916,877
Microsoft Corporation	7,812,842
Coca-Cola Company (The)	7,796,679
Better Capital 2012	5,211,745
Imperial Oil	4,935,480

TROJAN FUND

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

Total sales for the half year **£54,734,274**

Sales	Proceeds £
Johnson & Johnson	34,129,669
Microsoft Corporation	12,521,517
BG Group	7,431,975
Mithras Investment Trust	651,113

The summary of material portfolio changes represents all of the purchases and sales (excluding money market instruments) during the half year.

In addition to the above, purchases and redemptions of £1,346,551,535 and £1,217,095,119 respectively were made on UK, US and Singapore Treasury Bills.

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 JULY 2013

	31.07.13 £	31.07.12 £
Income:		
Net capital (losses)/gains	(52,121,877)	31,978,611
Revenue	25,831,010	22,090,569
Expenses	(14,161,021)	(10,864,977)
Finance costs: Interest	(5,264)	–
Net revenue before taxation	11,664,725	11,225,592
Taxation	(1,500,606)	(1,000,688)
Net revenue after taxation	10,164,119	10,224,904
Total return before distributions	(41,957,758)	42,203,515
Finance costs: Distributions	(10,178,477)	(10,225,057)
Change in net assets attributable to shareholders from investment activities	(52,136,235)	31,978,458

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 JULY 2013

	31.07.13 £	31.07.12 £
Opening net assets attributable to shareholders	2,478,986,233	1,780,167,030
Amounts receivable on issue of shares	206,681,111	388,341,367
Amounts payable on cancellation of shares	(75,944,934)	(22,201,886)
	130,736,177	366,139,481
Dilution levy charged	2,834,147	2,777,585
Stamp duty reserve tax	(158,297)	(54,930)
Change in net assets attributable to shareholders from investment activities	(52,136,235)	31,978,458
Retained distribution on Accumulation shares	4,499,023	4,826,427
Closing net assets attributable to shareholders	2,564,761,048	2,185,834,051

The above statement shows the comparative closing net assets at 31 July 2012 whereas the current accounting period commenced 1 February 2013.

TROJAN FUND

Interim Financial Statements (unaudited) (continued)

BALANCE SHEET

AS AT 31 JULY 2013

	31.07.13	31.01.13
	£	£
ASSETS		
Investment assets	2,481,211,349	2,369,067,136
Other assets		
Debtors	3,253,984	7,169,757
Cash and bank balances	<u>107,473,699</u>	<u>167,702,404</u>
Total other assets	110,727,683	174,872,161
Total assets	<u>2,591,939,032</u>	<u>2,543,939,297</u>
LIABILITIES		
Investment liabilities	(15,840,024)	(7,486,054)
Other liabilities		
Creditors	(5,458,253)	(48,629,923)
Bank overdrafts	–	(5,006,312)
Distribution payable on		
Income shares	<u>(5,879,707)</u>	<u>(3,830,775)</u>
Total other liabilities	(11,337,960)	(57,467,010)
Total liabilities	<u>(27,177,984)</u>	<u>(64,953,064)</u>
Net assets attributable to shareholders	<u>2,564,761,048</u>	<u>2,478,986,233</u>

TROJAN CAPITAL FUND

ACD'S REPORT

FOR THE HALF YEAR ENDED 31 JULY 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

26 September 2013

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

For the six months to 31 July 2013 the Fund produced a total return of +6.5% compared to a total return of +0.2% for the LIBID Index* and +14.0% for the MSCI World Index*.

** Source: Lipper, net income reinvested at ex-dividend date, sterling terms. The benchmarks are used by the Investment Manager for comparative purposes. No benchmarks are required to be disclosed as per the Prospectus.*

Global equity markets produced very strong returns for the six months to the end of July 2013 with many major indices ending the period near their multi-year highs. The United States and Japan returned 18.5% in sterling terms, Europe (ex UK) was up 16.5% and the total return for the UK's FTSE All-Share Index was 8.9%. Emerging markets were the worst performing region, falling 5.7% in sterling terms as measured by the MSCI Emerging Market Index. The US dollar appreciated by just over 3% against sterling and significantly more compared to the euro and other international currencies. Long bond yields in both the US and the UK rose as signs of a moderate improvement in economic activity emerged, particularly in the United States. Markets continue to be buoyed by the effects of Quantitative Easing ('QE') and near zero central bank interest rates but questions remain as to how we exit this period of unconventional monetary policy.

The Fund lagged the global market in the six months under review. Many of our holdings delivered strong absolute returns but the holdings in gold and gold shares performed poorly and were sold during the period. In addition our holdings in Asia were disappointing. The Fund has no exposure to the Japanese equity market which is now up 65% since November 2012. We struggle to find companies in Japan that meet our investment criteria.

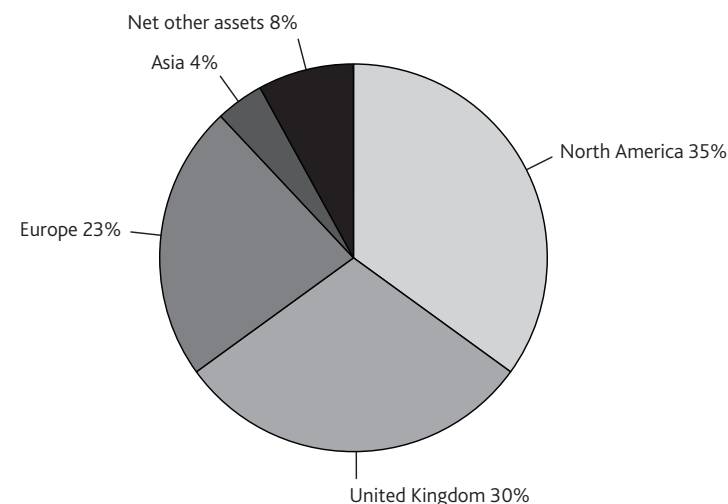
The most significant positive contributors to performance in the six months included investments in medical technology and pharmaceuticals – Medtronic, Becton, Dickinson and Company, Johnson & Johnson, Roche Holding and Novartis. Just over 20% of the Fund is invested in the healthcare sector and we are attracted to its stable revenue growth, high operating margins, unlevered balance sheets and ample cash generation. Other highlights included Microsoft Corporation where robust cash flows combined with resilient performance in the enterprise segments helped offset the decline in personal computer sales that is affecting the Windows division. The data information company Experian was a strong performer, despite a slowdown in its Brazilian business, and the investment case is underpinned by the long-term growth in demand for data analytics. Our investment in the private banking/wealth management company Rathbone Brothers performed particularly well in the period under review as the company saw assets under management, profits and cash flows all improve materially. Our holdings in AG Barr and Britvic in the United Kingdom were positive contributors despite a proposed merger between the two companies not coming to fruition.

PORTFOLIO REVIEW

The objective of the Fund is to deliver capital growth over the long term without taking on excessive risk. We aim to do this by investing in special companies with high returns on invested capital sustained by durable competitive advantages, strong balance sheets, and sensible managers. We aim to buy them at better than fair prices. We have broadened the set of investment opportunities for the Fund over the past eighteen months and have moved it into the IMA Global Equity sector. The proceeds from the gold and gold shares have mostly been invested such that today the portfolio has a concentrated collection of high quality companies.

Somewhat frustratingly we have made these changes at a time when global equity markets are flying high, lifted by unorthodox monetary policy. Our approach to investing for the Fund is all about picking individual stocks with enduring business models that will compound in value over the long-term. We can identify many businesses that interest us but few are available at reasonable prices. However, we have taken advantage of strong market conditions to sell some of the more capital-intensive businesses that remained in the portfolio and certain UK smaller companies that were trading on what we considered to be high valuations. The outcome of these changes is that the Fund's weighting in the United States has increased to 35% today. Europe has increased to 23% and the weighting in the United Kingdom has come down to 30% (from around 50% in Q4 2011). Asia represents 4% of the Fund.

ASSET ALLOCATION AS AT 31 JULY 2013



Source: Troy Asset Management.

Significant new investments during the period included American Express Company, Coach, and SAP.

American Express Company ('Amex') stands tall as one of the 'best in class' global franchises in financial services and has compounded excellent returns over the long-term. Amex is a significant beneficiary of the on-going growth of electronic payments and has demonstrated strong operational efficiency as cards in issue and card transactions have grown significantly faster than expenses over the past five years. Amex generates large amounts of cash and is committed to returning most of it to shareholders in the form of share buybacks and dividends. Revenues are predominantly in the US today, but the swelling ranks of affluent consumers around the world have increased the importance of the international business. The shares trade on a valuation of 15x this year's earnings with a return on equity of 23.5%. Amex has become a core holding in the Fund.

TROJAN CAPITAL FUND

ACD's Report (continued)

Investment Manager's Report (continued)

PORTFOLIO REVIEW (continued)

The American handbag retailer Coach was added to the portfolio in February. The company has been a wonderful growth story over the past 10 years by selling affordable luxury leather goods. The stock price became depressed more recently in response to concerns about increased competition and management change. Coach is a very solid business with great growth potential internationally, in menswear and within its core competence of ladies' handbags and accessories. Cash flow and returns on capital are some of the best of any company held in the portfolio and the group has net cash on its balance sheet. The shares are reasonably priced at 14x earnings and the vast majority of its 7.5% free cash flow yield is returned to shareholders in dividends and buybacks.

The software company SAP was also added to the portfolio. It is one of Europe's most financially productive businesses with an enviable track record of compounding revenue, profit and dividend at double digit growth rates over two decades. Approximately 23% of the company is owned by the founders and the business is run for long-term value creation. Uncertainty about the impact of 'cloud computing' on SAP's core enterprise software franchise has dampened sentiment towards the stock. Our perspective is that SAP is well placed to evolve with the new technological challenges of the internet, the cloud and 'big data' and that the company is a survivor. The current valuation of 16.8x earnings is at the lower end of its historic range and SAP generates prodigious amounts of cash. Although in the past couple of years management have been more acquisitive than we would ideally like, the balance sheet has minimal net debt.

OUTLOOK

We are managing the Fund to deliver capital growth over the long-term. We have written extensively on our concerns about the consequences of QE and the distorting impact it is having on financial markets. The mere mention of 'tapering' the Federal Reserve's massive bond buying programme was enough to frighten markets at the end of June and give us a sneak preview of the potential volatility ahead. We aim to be careful, discerning and patient and not compromise on quality or pay excessive prices. The risk appetite of other investors will inevitably change from its current state of complacency and better opportunities to buy great companies will emerge.

All market data sourced from Bloomberg, unless stated otherwise.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

21 August 2013

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*	159.47	135.30	2.1468

'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*	181.50	153.52	2.4564

'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*	160.66	136.25	1.4748

TROJAN CAPITAL FUND

ACD's Report (continued)

Fund Information (continued)

PERFORMANCE RECORD (continued)

'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*	172.67	146.33	1.5817

'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*	159.66	135.50	2.5340

'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*	181.21	153.12	2.8795

* To 31 July 2013.

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
31.07.13	'O' Income	25,904,922	17,083,083	151.64
	'O' Accumulation	39,821,014	22,814,275	174.54
	'I' Income	1,207,748	789,441	152.99
	'I' Accumulation	10,706,885	6,453,912	165.90
	'S' Income	4,595,314	3,029,144	151.70
	'S' Accumulation	73,045	41,895	174.35

ONGOING CHARGES FIGURE

Expense Type	31.07.13 %			31.01.13 %		
	'O'	'I'	'S'	'O'	'I'	'S'
ACD's periodic charge	1.00	1.50	0.75	1.00	1.50	0.75
Other expenses	0.13	0.11	0.11	0.14	0.13	0.13
Ongoing charges figure	1.13	1.61	0.86	1.14	1.63	0.88

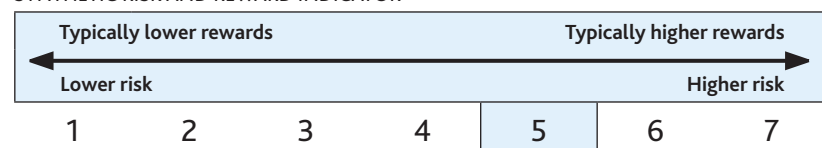
The Ongoing Charges Figure represents the total operating expenses of the Fund expressed as a percentage of the average net assets over a 12 month period.

TROJAN CAPITAL 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 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 the Fund.

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

DISTRIBUTIONS

Share Class	Interim 31.07.13 pence per share
'O' Income	1.7125
'O' Accumulation	1.9536
'I' Income	1.3653
'I' Accumulation	1.4642
'S' Income	1.9125
'S' Accumulation	2.1714

FUND PERFORMANCE TO 31 JULY 2013 (%)

	6 months	1 year	3 years	5 years
Trojan Capital Fund	6.51	12.32	40.88	61.57

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

PORTFOLIO STATEMENT AS AT 31 JULY 2013

Holding	Portfolio of Investments	Value £	Total Net Assets 31.07.13 %	31.01.13 %
	UNITED KINGDOM			
	OIL & GAS	—	—	3.42
	INDUSTRIALS			
	SUPPORT SERVICES			
202,500	Experian	2,496,825	3.03	
64,934	PayPoint	706,482	0.86	
		3,203,307	3.89	3.35
	CONSUMER GOODS			
	BEVERAGES			
105,180	Barr (A.G.)	569,024	0.69	
430,000	Britvic	2,337,050	2.84	
118,000	Diageo	2,420,770	2.94	
		5,326,844	6.47	5.73
	FOOD PRODUCERS			
132,000	Unilever	3,523,080	4.28	4.34
	HOUSEHOLD GOODS & HOME CONSTRUCTION			
58,500	Reckitt Benckiser Group	2,737,215	3.33	3.16
	TOBACCO			
93,000	British American Tobacco	3,260,580	3.96	
96,000	Imperial Tobacco Group	2,116,800	2.57	
		5,377,380	6.53	5.91
	TOTAL CONSUMER GOODS	16,964,519	20.61	19.14
	HEALTH CARE	—	—	1.71
	CONSUMER SERVICES			
	FOOD & DRUG RETAILERS	—	—	1.43

TROJAN CAPITAL FUND

ACD's Report (continued)

Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.07.13 %	31.01.13 %
	GENERAL RETAILERS	—	—	0.46
	TOTAL CONSUMER SERVICES	—	—	1.89
	FINANCIALS			
	REAL ESTATE INVESTMENT TRUSTS	—	—	1.59
	FINANCIAL SERVICES			
100,000	Rathbone Brothers	1,658,000	2.02	2.32
	TOTAL FINANCIALS	1,658,000	2.02	3.91
	TECHNOLOGY			
	SOFTWARE & COMPUTER SERVICES			
761,444	Sage Group (The)	2,668,861	3.24	2.88
	TOTAL UNITED KINGDOM	24,494,687	29.76	36.30
	CONTINENTAL EUROPE			
21,900	Heineken	1,012,007	1.23	
40,200	Heineken Holding	1,660,483	2.02	
74,000	Nestlé	3,293,826	4.00	
86,800	Novartis	4,100,806	4.98	
27,000	Roche Holding	4,368,270	5.31	
34,000	SAP	1,643,814	1.99	
40,000	Société BIC	2,921,868	3.55	
	TOTAL CONTINENTAL EUROPE	19,001,074	23.08	20.12
	AUSTRALIA	—	—	1.22
	NORTH AMERICA			
126,000	Altria Group	2,914,698	3.54	
52,500	American Express Company	2,553,581	3.10	
58,100	Becton, Dickinson and Company	3,973,364	4.83	
70,000	Coach	2,453,617	2.98	
84,000	Coca-Cola Company (The)	2,221,830	2.70	
70,400	Colgate-Palmolive Company	2,780,620	3.38	
30,000	Intuit	1,264,472	1.54	

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.07.13 %	31.01.13 %
	NORTH AMERICA (continued)			
52,000	Johnson & Johnson	3,208,739	3.90	
97,000	Medtronic	3,534,375	4.29	
207,300	Microsoft Corporation	4,352,344	5.29	
	TOTAL NORTH AMERICA	29,257,640	35.55	26.50
	ASIA			
540,000	Gudang Garam	1,467,733	1.79	
50,000	Jardine Matheson Holdings	1,805,023	2.19	
	TOTAL ASIA	3,272,756	3.98	4.29
	COMMODITIES	—	—	6.98
	FORWARD CURRENCY CONTRACTS	—	—	(0.36)
	Portfolio of investments	76,026,157	92.37	95.05
	Net other assets	6,282,771	7.63	4.95
	Net assets	82,308,928	100.00	100.00

All investments are ordinary shares.

TROJAN CAPITAL FUND

ACD's Report (continued)

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 JULY 2013

Total purchases for the half year **£6,669,104**

Purchases	Cost £
American Express Company	2,365,299
Coach	1,957,824
Intuit	1,250,839
SAP	707,936
Société BIC	387,206

Total sales for the half year **£21,584,288**

Sales	Proceeds £
Gold Bullion Securities	5,372,590
Imperial Oil	2,091,164
BG Group	1,928,985
GlaxoSmithKline	1,576,067
LondonMetric Property	1,375,238
Greggs	1,269,273
BP	1,178,656
Newmont Mining	1,089,320
Rathbone Brothers	824,260
Newcrest Mining	803,959
Unilever	529,604
Britvic	513,584
Novartis	499,398
Roche Holding	492,995
Microsoft Corporation	455,086
Ted Baker	454,908
Reckitt Benckiser Group	413,484
Johnson & Johnson	401,707
PayPoint	314,010

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

TROJAN CAPITAL FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 31 JULY 2013

	31.07.13	31.07.12
	£	£
Income:		
Net capital gains	5,092,927	2,302,981
Revenue	1,585,710	1,082,313
Expenses	(492,629)	(421,780)
Finance costs: Interest	(2,535)	–
Net revenue before taxation	1,090,546	660,533
Taxation	(136,286)	(78,804)
Net revenue after taxation	954,260	581,729
Total return before distributions	6,047,187	2,884,710
Finance costs: Distributions	(954,437)	(581,719)
Change in net assets attributable to shareholders from investment activities	5,092,750	2,302,991

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

	31.07.13	31.07.12
	£	£
Opening net assets attributable to shareholders	89,844,253	62,283,665
Amounts receivable on issue of shares	7,107,035	16,250,059
Amounts payable on cancellation of shares	(20,428,116)	(2,969,959)
	(13,321,081)	13,280,100
Dilution levy charged	159,447	108,019
Stamp duty reserve tax	(7,549)	(5,694)
Change in net assets attributable to shareholders from investment activities	5,092,750	2,302,991
Retained distribution on Accumulation shares	541,108	407,056
Closing net assets attributable to shareholders	82,308,928	78,376,137

The above statement shows the comparative closing net assets at 31 July 2012 whereas the current accounting period commenced 1 February 2013.

BALANCE SHEET
AS AT 31 JULY 2013

	31.07.13	31.01.13
	£	£
ASSETS		
Investment assets	76,026,157	85,718,617
Other assets		
Debtors	1,115,748	360,320
Cash and bank balances	5,641,767	4,750,940
Total other assets	6,757,515	5,111,260
Total assets	82,783,672	90,829,877
LIABILITIES		
Investment liabilities	–	(325,018)
Other liabilities		
Creditors	(113,486)	(571,978)
Distribution payable on Income shares	(361,258)	(88,628)
Total other liabilities	(474,744)	(660,606)
Total liabilities	(474,744)	(985,624)
Net assets attributable to shareholders	82,308,928	89,844,253

TROJAN INCOME FUND
ACD'S REPORT
FOR THE HALF YEAR ENDED 31 JULY 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
26 September 2013

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

Over the six months under review the Fund produced a total return of +10.1%. Over the same period the FTSE All-Share Index* produced a total return of +8.9%, while the total return on cash (LIBID Index)* amounted to +0.2%. At 31 July 2013 the Fund size was £1,265 million.

** Source: Lipper, net income reinvested at ex-dividend date, sterling terms. The benchmarks are used by the Investment Manager for comparative purposes only. No benchmarks are required to be disclosed as per the Prospectus.*

An interim dividend of 2.55p will be paid to holders of 'O' Income shares on 30 September 2013. This represents an increase of 4.1% over the previous year's interim dividend and continues the Fund's track record of unbroken dividend growth since its launch in 2004.

A combination of improved US economic data and confidence in the continuation of loose monetary policy from central banks propelled markets to all-time highs in the six months to 22 May 2013. This run was then interrupted by Fed Chairman Bernanke who indicated that he was considering reducing the level of financial stimulus by slowing the rate of asset purchases. Such 'tapering' would be contingent upon a reduction in the unemployment rate to 6.5% (from its current level of 7.6%), which Bernanke suggested could be achieved by mid-2014. It would not entail the withdrawal of funds already deployed, merely a reduction in the level of new purchases in subsequent months. Nonetheless, markets took fright at the prospect of having to rely on variable economic data rather than the certainty of central bank liquidity. After some soothing words (and much backpedalling) from Chairman Bernanke, markets then resumed their upwards trajectory. The clear sensitivity of markets to the mere utterance of central bank liquidity withdrawal will make the necessary task of ultimately withdrawing this stimulus very difficult.

In the month that followed the tapering comments, the FTSE All-Share Index suffered a drawdown of 11.6% versus 8.3% for the Fund. Holdings with lower valuations, some of which have lagged this year's rally, held up the best. These included Vodafone Group, Imperial Tobacco Group and ICAP. The Fund regained most of its losses by the end of the period, standing 1.7% below its May high.

PORTFOLIO REVIEW

At the end of the period under review the portfolio was 93% invested in equities and 7% in cash. Cash is unlikely to rise much above this level as it would limit the Fund's ability to generate an above-market yield. There were 43 equity holdings as at 31 July 2013. The trailing yield on the 'O' Income shares on 31 July 2013 was 3.9%.

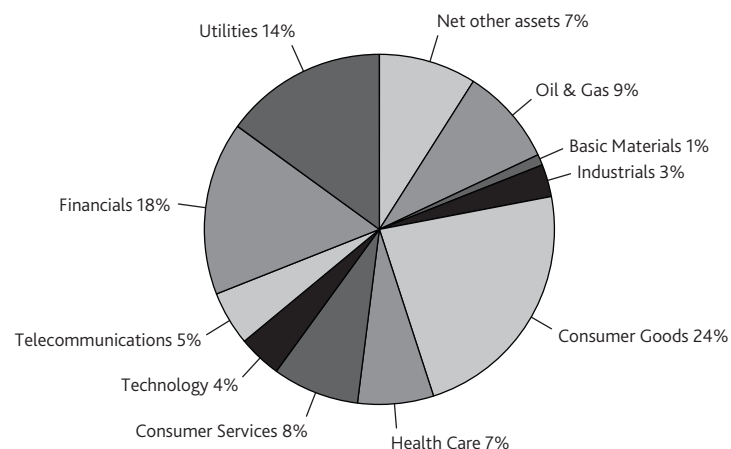
TROJAN INCOME FUND

ACD's Report (continued)

Investment Manager's Report (continued)

PORTFOLIO REVIEW (continued)

SECTOR ALLOCATION AS AT 31 JULY 2013



Source: Troy Asset Management.

Portfolio activity was relatively low during the six months. As new capital came into the Fund, we added to existing holdings.

In February we liquidated our position in Aberdeen Asset Management which had more than doubled in value since purchase, and added to positions like Nestlé where we took advantage of weaker than expected results. Whilst Nestlé's organic sales have come in a touch below their 5-6% growth target, underlying earnings per share have risen 7.2%, testament to the company's on-going operational discipline in a tough consumer environment.

A new holding in British Sky Broadcasting ('BSkyB') was initiated in May. This is a company which we have been monitoring for some time and we have long admired the strength of its franchise and cash generative qualities. The announcement of the new BT Sport channel launch earlier this year caused the BSkyB share price to fall sharply as markets feared the competitive impact. At around £8 a share the dividend yield was above 3.5% and given the dividend growth potential of the shares it presented an excellent buying opportunity. The portfolio now has a 1.6% holding in the stock and this is likely to increase.

Since talks of a merger between Britvic and AG Barr began in September 2012, Britvic's share price has risen from just over £3 to £5.60 today. After the OFT referred the merger to the Competition Commission in February, the terms of the deal had to be renegotiated and the two parties were unable to reach a new agreement. We have taken advantage of this appreciation in the price to reduce our holding.

OUTLOOK

We have said in previous reports that stock market re-ratings will need to be supported by an improvement in fundamentals if current prices are to be sustained. The Fund's main market is the UK and we have seen incremental improvements in the economy here. July saw the biggest

real increase in retail sales for 2 years and the services sector expanded at its fastest rate for 6 years. The International Monetary Fund has raised the UK growth forecast from 0.7% to 0.9%. It is too early to know whether a recovery is entrenched and we are yet to see a much needed pickup in employment and wage inflation. However, we continue to invest in companies with sufficient competitive advantages and earnings stability to both weather a protracted downturn and benefit from a recovery. Strong balance sheets and healthy cash flow generation give us confidence that our portfolio of companies can maintain dividend growth in difficult trading environments.

All market data sourced from Bloomberg, unless stated otherwise.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

21 August 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*	158.15	138.31	6.0828

'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*	226.88	193.56	8.5782

'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*	152.57	133.62	5.8965

'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*	223.48	191.02	8.4983

'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*	161.58	141.22	6.2023

'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*	227.10	193.54	8.5651

'Z' Income shares (this class is only available for investment by The Trojan Income Feeder Fund (Ireland))

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2013#	106.77	97.92	1.5326

TROJAN INCOME FUND

ACD's Report (continued)

Fund Information (continued)

PERFORMANCE RECORD (continued)

'Z' Accumulation shares (this class is only available for investment by The Trojan Income Feeder Fund (Ireland))

Calendar Year	Highest Price P	Lowest Price P	Distribution per share P
2013#	106.71	97.85	1.5360

From 15 April to 31 July 2013.

* To 31 July 2013.

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
31.07.13	'O' Income	627,289,420	410,155,700	152.94
	'O' Accumulation	179,459,316	80,454,322	223.06
	'I' Income	99,866,765	67,795,357	147.31
	'I' Accumulation	154,444,678	70,361,050	219.50
	'S' Income	180,413,264	115,364,431	156.39
	'S' Accumulation	10,938,900	4,897,056	223.38
	'Z' Income	12,792,074	12,343,260	103.64
	'Z' Accumulation	263	250	105.07

ONGOING CHARGES FIGURE

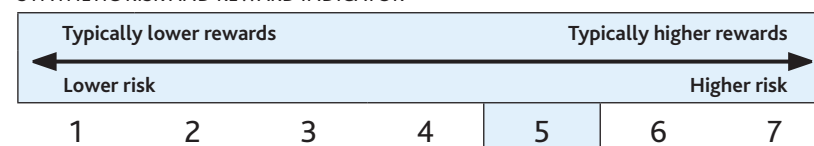
Expense Type	31.07.13 %			
	'O'	'I'	'S'	'Z'*
ACD's periodic charge	1.00	1.50	0.75	–
Other expenses	0.03	0.03	0.03	0.03
Ongoing charges figure	1.03	1.53	0.78	0.03

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') for 'Z' shares is an estimate of the charges. An estimate is being used rather than an *ex post* figure due to the share class being launched less than a year.

The OCF represents the total operating expenses of the Fund, expressed as a percentage of the average net assets over a 12 month period.

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 the Fund.

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

TROJAN INCOME FUND

ACD's Report (continued)

Fund Information (continued)

DISTRIBUTIONS

Share Class	Interim 31.07.13 pence per share
'O' Income	2.5500
'O' Accumulation	3.6556
'I' Income	2.5500
'I' Accumulation	3.7352
'S' Income	2.5500
'S' Accumulation	3.5828
'Z' Income	1.5326
'Z' Accumulation	1.5360

FUND PERFORMANCE TO 31 JULY 2013 (%)

	6 months	1 year	3 years	5 years
Trojan Income Fund	10.06	18.70	53.13	78.09

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

PORTFOLIO STATEMENT AS AT 31 JULY 2013

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.07.13 %	31.01.13 %
	DEBT SECURITIES	—	—	0.76
	UNITED KINGDOM			
	OIL & GAS			
	<i>OIL & GAS PRODUCERS</i>			
1,430,000	BG Group	16,959,800	1.34	
11,000,000	BP	49,995,000	3.95	
2,250,000	Royal Dutch Shell 'B'	52,188,750	4.13	
		119,143,550	9.42	9.07
	INDUSTRIALS			
	<i>SUPPORT SERVICES</i>			
2,800,000	Experian	34,524,000	2.73	
394,525	PayPoint	4,292,432	0.34	
		38,816,432	3.07	3.17
	CONSUMER GOODS			
	<i>BEVERAGES</i>			
4,000,000	Britvic	21,740,000	1.72	
400,000	Diageo	8,206,000	0.65	
		29,946,000	2.37	2.56
	<i>FOOD PRODUCERS</i>			
1,200,000	Associated British Foods	23,316,000	1.84	
3,600,000	Dairy Crest Group	18,252,000	1.44	
1,325,000	Unilever	35,364,250	2.80	
		76,932,250	6.08	6.12
	<i>HOUSEHOLD GOODS & HOME CONSTRUCTION</i>			
650,000	Reckitt Benckiser Group	30,413,500	2.40	2.73

TROJAN INCOME FUND

ACD's Report (continued)

Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.07.13 %	31.01.13 %
	<i>TOBACCO</i>			
1,200,000	British American Tobacco	42,072,000	3.32	
1,800,000	Imperial Tobacco Group	39,690,000	3.14	
		<u>81,762,000</u>	<u>6.46</u>	<u>6.89</u>
	TOTAL CONSUMER GOODS	<u>219,053,750</u>	<u>17.31</u>	<u>18.30</u>
	<i>HEALTH CARE</i>			
	<i>PHARMACEUTICALS & BIOTECHNOLOGY</i>			
875,000	AstraZeneca	29,176,875	2.31	
3,300,000	GlaxoSmithKline	55,555,500	4.39	
		<u>84,732,375</u>	<u>6.70</u>	<u>6.56</u>
	<i>CONSUMER SERVICES</i>			
	<i>FOOD & DRUG RETAILERS</i>			
2,100,000	Greggs	<u>9,088,800</u>	<u>0.72</u>	<u>1.00</u>
	<i>GENERAL RETAILERS</i>			
3,800,000	WH Smith	<u>29,583,000</u>	<u>2.34</u>	<u>2.52</u>
	<i>TRAVEL & LEISURE</i>			
4,100,000	Compass Group	<u>36,818,000</u>	<u>2.91</u>	<u>2.74</u>
	<i>MEDIA</i>			
2,475,000	British Sky Broadcasting Group	<u>20,493,000</u>	<u>1.62</u>	<u>–</u>
	TOTAL CONSUMER SERVICES	<u>95,982,800</u>	<u>7.59</u>	<u>6.26</u>
	<i>TELECOMMUNICATIONS</i>			
	<i>MOBILE TELECOMMUNICATIONS</i>			
2,750,000	Inmarsat	18,796,250	1.48	
23,000,000	Vodafone Group	45,413,500	3.59	
		<u>64,209,750</u>	<u>5.07</u>	<u>5.21</u>

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.07.13 %	31.01.13 %
	<i>UTILITIES</i>			
	<i>ELECTRICITY</i>			
2,350,000	SSE	<u>37,012,500</u>	<u>2.92</u>	<u>3.33</u>
	<i>GAS, WATER & MULTIUTILITIES</i>			
8,800,000	Centrica	34,408,000	2.71	
4,900,000	National Grid	38,538,500	3.05	
4,875,000	Pennon Group	33,856,875	2.68	
2,200,000	Severn Trent	38,984,000	3.08	
		<u>145,787,375</u>	<u>11.52</u>	<u>12.97</u>
	TOTAL UTILITIES	<u>182,799,875</u>	<u>14.44</u>	<u>16.30</u>
	<i>FINANCIALS</i>			
	<i>BANKS</i>			
5,800,000	HSBC Holdings	<u>43,372,400</u>	<u>3.43</u>	<u>3.40</u>
	<i>NON-LIFE INSURANCE</i>			
6,000,000	Amlin	24,126,000	1.91	
2,400,000	Jardine Lloyd Thompson Group	21,420,000	1.69	
		<u>45,546,000</u>	<u>3.60</u>	<u>4.17</u>
	<i>REAL ESTATE INVESTMENT TRUSTS</i>			
11,200,000	LondonMetric Property	12,700,800	1.00	
3,656,000	Primary Health Properties	12,393,840	0.98	
		<u>25,094,640</u>	<u>1.98</u>	<u>2.06</u>
	<i>FINANCIAL SERVICES</i>			
5,018,854	ICAP	20,406,660	1.61	
1,400,000	Provident Financial	23,632,000	1.87	
1,135,000	Rathbone Brothers	18,818,300	1.49	
1,133,550	Schroders	27,828,653	2.20	
		<u>90,685,613</u>	<u>7.17</u>	<u>7.50</u>

TROJAN INCOME FUND

ACD's Report (continued)

Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.07.13 %	31.01.13 %
12,308,836	EQUITY INVESTMENT INSTRUMENTS			
	3i Infrastructure	16,727,708	1.32	1.37
	TOTAL FINANCIALS	221,426,361	17.50	18.50
	TECHNOLOGY			
10,245,168	SOFTWARE & COMPUTER SERVICES			
	Sage Group (The)	35,909,314	2.84	2.01
	TOTAL UNITED KINGDOM	1,062,074,207	83.94	85.38
600,000	CONTINENTAL EUROPE			
	Nestlé	26,706,697	2.11	1.32
600,000	NORTH AMERICA			
	Altria Group	13,879,513	1.10	
	Coca-Cola Company (The)	18,515,253	1.46	
	Microsoft Corporation	18,895,848	1.49	
	Newmont Mining	11,477,214	0.91	
	Reynolds American	19,558,756	1.55	
	TOTAL NORTH AMERICA	82,326,584	6.51	7.70
	Portfolio of investments	1,171,107,488	92.56	95.16
	Net other assets	94,097,192	7.44	4.84
	Net assets	1,265,204,680	100.00	100.00

All investments are ordinary shares unless stated otherwise.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 JULY 2013

Total purchases for the half year	£156,251,800
Major purchases	Cost £
British Sky Broadcasting Group	20,186,804
Sage Group (The)	14,737,996
Royal Dutch Shell 'B'	14,455,938
Nestlé	13,646,464
BP	13,020,712
GlaxoSmithKline	9,480,963
British American Tobacco	8,409,462
HSBC Holdings	7,479,267
Provident Financial	6,152,658
Unilever	5,534,910
Experian	4,759,326
Imperial Tobacco Group	4,388,446
Compass Group	4,236,432
Britvic	4,015,966
Vodafone Group	3,822,788
Dairy Crest Group	3,773,327
Rathbone Brothers	3,565,287
Severn Trent	3,015,036
Primary Health Properties	2,981,427
ICAP	2,083,507

TROJAN INCOME FUND

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

Total sales for the half year **£28,134,002**

Sales	Proceeds £
Aberdeen Asset Management	12,311,635
Aberdeen Asset Management 7.9% 2013	7,964,160
Britvic	5,134,527
PayPoint	2,723,680

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

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 JULY 2013

	31.07.13 £	31.07.12 £
Income:		
Net capital gains	89,123,338	27,666,195
Revenue	27,901,972	15,649,871
Expenses	(6,248,460)	(3,231,340)
Finance costs: Interest	—	—
Net revenue before taxation	21,653,512	12,418,531
Taxation	(388,082)	(187,830)
Net revenue after taxation	21,265,430	12,230,701
Total return before distributions	110,388,768	39,896,896
Finance costs: Distributions	(19,460,077)	(10,491,156)
Change in net assets attributable to shareholders from investment activities	90,928,691	29,405,740

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 31 JULY 2013

	31.07.13 £	31.07.12 £
Opening net assets attributable to shareholders	1,002,260,251	452,332,385
Amounts receivable on issue of shares	206,328,724	236,343,359
Amounts payable on cancellation of shares	(41,540,631)	(6,313,083)
	164,788,093	230,030,276
Dilution levy charged	1,995,457	1,456,839
Stamp duty reserve tax	(512,482)	(122,089)
Change in net assets attributable to shareholders from investment activities	90,928,691	29,405,740
Retained distribution on Accumulation shares	5,744,670	3,146,996
Closing net assets attributable to shareholders	1,265,204,680	716,250,147

The above statement shows the comparative closing net assets at 31 July 2012 whereas the current accounting period commenced 1 February 2013.

TROJAN INCOME FUND

Interim Financial Statements (unaudited) (continued)

BALANCE SHEET

AS AT 31 JULY 2013

	31.07.13	31.01.13
	£	£
ASSETS		
Investment assets	1,171,107,488	953,782,577
Other assets		
Debtors	8,470,898	12,017,242
Cash and bank balances	<u>102,783,693</u>	<u>55,775,789</u>
Total other assets	111,254,591	67,793,031
Total assets	<u>1,282,362,079</u>	<u>1,021,575,608</u>
LIABILITIES		
Other liabilities		
Creditors	(1,838,681)	(1,147,663)
Distribution payable on Income shares	<u>(15,318,718)</u>	<u>(18,167,694)</u>
Total other liabilities	(17,157,399)	(19,315,357)
Total liabilities	<u>(17,157,399)</u>	<u>(19,315,357)</u>
Net assets attributable to shareholders	<u>1,265,204,680</u>	<u>1,002,260,251</u>

CRYSTAL FUND

ACD'S REPORT

FOR THE HALF YEAR ENDED 31 JULY 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

26 September 2013

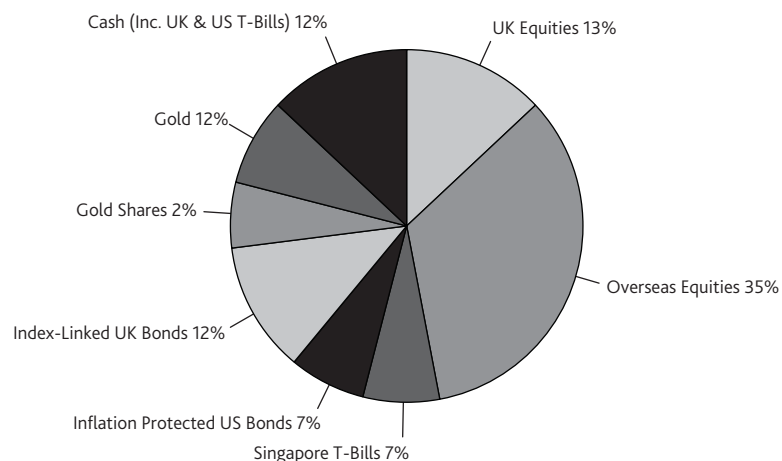
INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

For the six months to 31 July 2013, the Fund produced a total return of +0.7% compared to a return +0.2% in the LIBID Index (total return)* and +8.9% in the FTSE All-Share Index (total return)*.

* Source: Lipper, net income reinvested at ex-dividend date, sterling terms. The benchmarks are used by the Investment Manager for comparative purposes. No benchmarks are required to be disclosed as per the Prospectus.

ASSET ALLOCATION AS AT 31 JULY 2013



Source: Troy Asset Management.

MARKET REVIEW

Since the FTSE All-Share Index bottomed in March 2009, the index has virtually doubled in value. Owning equities has been very profitable and investors were clearly well-rewarded in the period. For the most part though, it has not been a comfortable journey. Post the collapse of Lehman Brothers in September 2008 confidence and trust in capital markets have regularly been tested by sovereign debt crises, especially here in Europe, but also in the United States. However, over the past twelve months uncertainty has given way to certainty and disbelief to faith. Investors now have great stock in the ability of central bankers to indirectly finance governments, keep both inflation and interest rates low and asset prices high. The mood music appeared to change when in June 2012 the President of the European Central Bank, Mario Draghi, said that he would 'do whatever it takes to preserve the euro'. Investors have taken him at his word. Bad news not getting horrendously worse has been enough for investors to behave bullishly. Two years ago, pandemonium would have broken out had there been a default on customer bank deposits in the eurozone. But in May there was hardly a murmur when the entire Cypriot banking sector was declared insolvent. The episode has been long forgotten by most except those who saw their savings confiscated.

For over a year now, we have felt that being fully invested in the equity market carried too great a risk to our priority of protecting your capital. Our caution has proved at best unnecessary and at worst unprofitable as we failed to participate in a major equity market rally. But such short-term missed opportunities are the price we pay for dependable and sustainable wealth protection and growth over the long-term. Complacency is an enemy of successful investing and so is panic. It is frustrating not to have enjoyed the gains that a more aggressive investment style could have earned over the period covering the interim report, but that is water under the bridge. If we were convinced that the UK market as represented by the FTSE 100 Index looked expensive at 6,000 then it must be no surprise that we find it even less appealing at a level of 6,700. Needless to say we will wait for the market to come to us than rush after the market.

Missing a stock market advance is always disappointing, but what has been even more disappointing has been the recent price behaviour of the portfolio's inflation protection, namely gold and index-linked bonds. Gold fell over 20% in sterling terms over the six months and our collection of index-linked bonds fell by around 5%. We hold these primarily not for how much reward we think they will provide, but to preserve the real value of your investment against the capital erosion of inflation. In our opinion, markets have become more myopic and are more influenced by the here and now than the there and later. Faith in the Federal Reserve and the suppression of inflation has led investors to abandon their inflation-protection securities. We agree with the insight of market historian Jim Grant, who argues that the price of gold is the reciprocal of the world's confidence in central banks. Central bankers have rarely been more admired, so it is unsurprising to have seen the gold price swoon. We do not expect that admiration to last. We also do not mistake the absence of the evidence of inflation in the recent past for evidence of its future absence. Gold and index-linked securities have crucial roles to play against a force that rarely preannounces itself. We are confident that short-term falls in the price of these assets will not lead to falls in their long-term value. But it is painful to be punished for prudence.

PORTFOLIO REVIEW

There were a number of transactions over the period with the emphasis decidedly on reducing the Fund's weighting to equities and consistent with our preference to sell into rising markets and buy into falling ones. Zero interest rates have reduced the income available on cash deposits and on conventional government bonds. High-quality, blue-chip consumer staples have become a refuge for those looking for capital safety and surety of income. Stocks that we have always liked have been fashionable for the past three years and their popularity amongst investors is reflected in more expensive valuations. The gains we have made on several of our consumer staple holdings have been impressive and far more than we could have imagined twelve months ago. However, the vast majority of these price gains have not come about because of dramatic improvements in operations or long-term earnings potential, but through the simple mechanism of investors willing to pay more for consistent companies. Sentiment can be fickle and stocks currently on a podium of popularity can soon be found in the bargain basement. We therefore, took the opportunity to take profits in British American Tobacco, Coca-Cola Company, Diageo, Nestlé, Reynolds American and Unilever.

It is unusual for healthcare stocks to be at the vanguard of a rising and frothy market, but these are unusual times. Both Becton, Dickinson and Company and Johnson & Johnson saw their share prices rise by around 25% despite earnings expectations that hardly set our pulses racing. We reduced the share holdings of these two companies. The share prices of both Microsoft Corporation and Berkshire Hathaway appreciated by mid-teen percentages and the holdings of these two companies were also trimmed.

CRYSTAL FUND

ACD's Report (continued)

Investment Manager's Report (continued)

PORTFOLIO REVIEW (continued)

There was one complete disposal and that occurred through the sale of BG Group. Our bias is to invest in companies that require very little incremental capital to sustain their operations. If a business does not require much on-going capital then operating cashflows can be distributed to shareholders through share repurchases and dividends. Energy businesses are on a challenging treadmill of having to spend ever more on developing new reserves to replace those they have lost through production. BG Group is spending billions of pounds on complex projects in Brazil and Australia and we are unsure of the returns investors will enjoy/endure from all of this expenditure.

We made modest purchases of American Express Company, the credit card issuer and payments network provider, and Société BIC, the French manufacturer of disposable pens, lighters and razors. These are two wonderful, consumer brand-led franchises that earn good returns on equity, reward shareholders and delight their customers. Both were purchased at around 14 times earnings expectations. We also added to the holding of Coach, the cash generative designer and retailer of premium leather fashion accessories. Although we find it difficult to get enthusiastic about the likely returns from stock markets over the coming years we are excited about the prospects of these three great businesses that have all been bought at very reasonable prices. A great business being available at a good price will always demand the commitment of capital and override whatever wider fears there may be.

OUTLOOK

It was over-indebtedness that led to the last financial crisis, so it is perverse that even greater indebtedness is welcomed by most as a way to attain economic growth as an unquestioned end in itself. There is no absolute number or certain ratio that tells you when a debt problem becomes a debt crisis. Greece, Ireland and Cyprus all had different triggers. So too will Japan, the US and the UK.

Confidence and cheapness are like night and day. If one is present in abundance the other is likely to be conspicuous by its absence. Sadly, we can observe plenty of confidence within asset markets and not much value. We are therefore more focussed on avoiding risk than hunting for reward. The Fund's asset allocation is undoubtedly cautious as we look to protect what we have. In our judgement most asset classes look at best fair value or at worst egregiously expensive. Investors not only hope for limited financial market downside, but now expect and even demand it. Several commentators imply that it is 'heads you win and tails you don't lose'. If the US economy improves to the point that Quantitative Easing ('QE') is judged to be no longer required then what is good for business is good for stocks. Conversely, if the economy does not respond sufficiently to all the prodding from QE, then QE will continue, which has demonstrably been great for stock market returns. That the market tends to rise whatever the news flow, good or bad, suggests that scepticism is scarce and complacency common. Blind faith in the skill of central bankers has certainly led many investors to believe that risk has been eliminated, but appearances can be deceptive. We do not expect to be able to deliver the attractive returns and low volatility that we have in the past until valuations become more appealing. To avoid disappointment, investor expectations may need to be tempered.

All market data sourced from Bloomberg, unless stated otherwise.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

21 August 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*	206.93	194.29	1.9889

* To 31 July 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
31.07.13	44,853,040	22,602,768	198.44

ONGOING CHARGES FIGURE

Expense Type	31.07.13 %	31.01.13 %
ACD's periodic charge	1.00	1.00
Other expenses	0.10	0.11
	1.10	1.11
Collective investment scheme costs	0.06	0.08
Ongoing charges figure	1.16	1.19

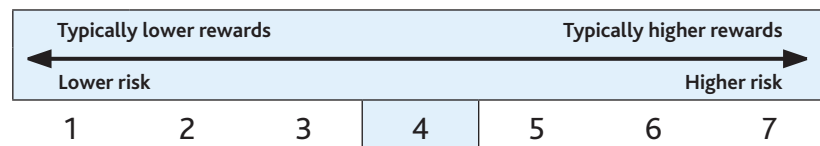
The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Fund expressed as a percentage of the average net over a 12 month period.

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.

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 the Fund.

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

DISTRIBUTIONS

Share Class	Interim 31.07.13 pence per share
Income	1.2964

FUND PERFORMANCE TO 31 JULY 2013 (%)

	6 months	1 year	3 years	5 years
Crystal Fund	0.68	2.17	31.38	64.72

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

PORTFOLIO STATEMENT AS AT 31 JULY 2013

Holding	Portfolio of Investments	Value £	Total Net Assets 31.07.13 %	31.01.13 %
DEBT SECURITIES				
SG\$300,000	Monetary Authority of Singapore 0% 23.08.13	155,307	0.35	
SG\$1,600,000	Monetary Authority of Singapore 0% 13.09.13	828,186	1.85	
SG\$230,000	Monetary Authority of Singapore 0% 20.09.13	119,046	0.27	
SG\$3,400,000	Monetary Authority of Singapore 0% 11.10.13	1,759,550	3.92	
SG\$470,000	Monetary Authority of Singapore 0% 18.10.13	243,219	0.54	
£2,000,000	UK Treasury 0% 23.09.13	1,999,000	4.46	
£3,046,300	UK Treasury 0.125% index-linked 2024	3,293,925	7.34	
£1,518,000	UK Treasury 1.875% index-linked 2022	2,285,953	5.10	
US\$422,900	US Treasury 0% 24.10.13	278,926	0.62	
US\$3,166,000	US Treasury 0.125% Inflation Protected Securities 2022	2,127,665	4.74	
US\$1,500,000	US Treasury 1.375% Inflation Protected Securities 2020	1,163,990	2.59	
	TOTAL DEBT SECURITIES	14,254,767	31.78	31.01
EQUITIES				
UNITED KINGDOM				
	OIL & GAS	—	—	0.77
CONSUMER GOODS				
	BEVERAGES			
25,500	Diageo	523,133	1.16	2.11
	FOOD PRODUCERS			
42,500	Unilever	1,134,325	2.53	3.54
	TOBACCO			
40,000	British American Tobacco	1,402,400	3.13	3.43
	TOTAL CONSUMER GOODS	3,059,858	6.82	9.08

CRYSTAL FUND

ACD's Report (continued)

Portfolio Statement (continued)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.07.13 %	31.01.13 %
	HEALTH CARE			
	PHARMACEUTICALS & BIOTECHNOLOGY			
70,475	GlaxoSmithKline	1,186,447	2.65	2.27
	CONSUMER SERVICES			
	FOOD & DRUG RETAILERS			
94,186	Greggs	407,637	0.91	1.00
	FINANCIALS			
	EQUITY INVESTMENT INSTRUMENTS			
304,000	Better Capital 2009	456,000	1.02	1.01
	TECHNOLOGY			
	SOFTWARE & COMPUTER SERVICES			
242,407	Sage Group (The)	849,637	1.89	1.83
	TOTAL UNITED KINGDOM	5,959,579	13.29	15.96
	CONTINENTAL EUROPE			
32,400	Nestlé	1,442,162	3.22	
2,700	Société BIC	197,226	0.43	
	TOTAL CONTINENTAL EUROPE	1,639,388	3.65	3.55
	AUSTRALIA			
35,000	Newcrest Mining	253,391	0.56	1.20
	NORTH AMERICA			
15,500	Agnico-Eagle Mines	289,897	0.65	
44,000	Altria Group	1,017,831	2.27	
10,300	American Express Company	500,988	1.12	
18,000	Becton, Dickinson and Company	1,230,991	2.74	
10	Berkshire Hathaway	1,147,319	2.56	
29,300	Coach	1,027,014	2.29	
55,600	Coca-Cola Company (The)	1,470,640	3.28	
16,000	Colgate-Palmolive Company	631,959	1.41	

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.07.13 %	31.01.13 %
	NORTH AMERICA (continued)			
50,604	Imperial Oil	1,415,612	3.16	
16,300	Johnson & Johnson	1,005,816	2.24	
91,000	Microsoft Corporation	1,910,580	4.26	
24,958	Philip Morris International	1,471,093	3.28	
33,500	Reynolds American	1,092,031	2.43	
	TOTAL NORTH AMERICA	14,211,771	31.69	29.93
	COMMODITIES			
111,363	BlackRock Gold and General*	908,724	2.03	
24,746	ETFS Physical Swiss Gold*	2,103,834	4.69	
30,000	Gold Bullion Securities*	2,490,753	5.55	
	TOTAL COMMODITIES	5,503,311	12.27	15.39
	FORWARD CURRENCY CONTRACTS			
US\$(15,700,000)	Vs £10,029,866 (expiry 18.09.13)	(329,389)	(0.73)	(0.33)
	Portfolio of investments#	41,492,818	92.51	96.71
	Net current assets	3,360,222	7.49	3.29
	Net assets	44,853,040	100.00	100.00

All investments are ordinary shares unless stated otherwise.

All debt securities held are investment grade.

* Collective investment scheme.

Includes derivative liabilities.

CRYSTAL FUND

ACD's Report (continued)

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 JULY 2013

Total purchases for the half year **£1,304,506**

Purchases	Cost £
Coach	674,220
American Express Company	453,885
Société BIC	176,401

Total sales for the half year **£4,228,788**

Sales	Proceeds £
Berkshire Hathaway	648,932
Unilever	528,631
Diageo	506,717
Reynolds American	454,119
Microsoft Corporation	445,733
BG Group	371,597
Johnson & Johnson	313,251
Coca-Cola Company (The)	278,247
Becton, Dickinson and Company	273,264
British American Tobacco	243,886
Nestlé	164,411

The summary of material portfolio changes represents all of the purchases and sales (excluding money market instruments) during the half year.

In addition to the above, purchases and redemptions of £9,040,825 and £8,495,878 respectively were made on UK, US and Singapore Treasury Bills.

CRYSTAL FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 31 JULY 2013

	31.07.13	31.07.12
	£	£
Income:		
Net capital gains	103,405	1,418,721
Revenue	581,155	623,709
Expenses	(251,436)	(240,374)
Finance costs: Interest	—	—
Net revenue before taxation	329,719	383,335
Taxation	(35,350)	(32,231)
Net revenue after taxation	294,369	351,104
Total return before distributions	397,774	1,769,825
Finance costs: Distributions	(294,357)	(351,085)
Change in net assets attributable to shareholders from investment activities	103,417	1,418,740

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

	31.07.13	31.07.12
	£	£
Opening net assets attributable to shareholders	44,948,288	43,292,369
Amounts payable on cancellation of shares	(198,665)	(149,483)
Change in net assets attributable to shareholders from investment activities	103,417	1,418,740
Change in net assets attributable to shareholders from investment activities	44,853,040	44,561,626

The above statement shows the comparative closing net assets at 31 July 2012 whereas the current accounting period commenced 1 February 2013.

BALANCE SHEET
AS AT 31 JULY 2013

	31.07.13	31.01.13
	£	£
ASSETS		
Investment assets	41,822,207	43,616,590
Other assets		
Debtors	41,797	46,468
Cash and bank balances	3,665,365	3,685,668
Total other assets	3,707,162	3,732,136
Total assets	45,529,369	47,348,726
LIABILITIES		
Investment liabilities	(329,389)	(146,228)
Other liabilities		
Creditors	(53,918)	(2,061,954)
Bank overdrafts	—	(35,042)
Distribution payable on Income shares	(293,022)	(157,214)
Total other liabilities	(346,940)	(2,254,210)
Total liabilities	(676,329)	(2,400,438)
Net assets attributable to shareholders	44,853,040	44,948,288

SPECTRUM FUND
ACD'S REPORT
FOR THE HALF YEAR ENDED 31 JULY 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
26 September 2013

INVESTMENT MANAGER'S REPORT

INVESTMENT REVIEW

For the six months to 31 July 2013 the Fund produced a total return of +0.8% compared to a rise of +0.2% in the LIBID Index (total return)* and a rise of +14.0% in the MSCI World (£) Index (total return)*. The FTSE All-Share Index (total return)* produced a return of +8.9%.

** Source: Lipper Hindsight & Bloomberg, net income reinvested at ex-dividend date, sterling terms. The benchmarks are used by the Investment Manager for comparative purposes. No benchmarks are required to be disclosed as per the Prospectus.*

MARKET REVIEW

Advocates of emerging market investing have frequently spoken of developing economies 'decoupling' from developed ones. The argument goes that emerging market economies are less shackled by growing indebtedness and aging demographics. This should lead to faster growth and rising local stock markets. So far this year, there has been evidence of 'decoupling', but not in the manner BRIC (Brazil, Russia, India & China) enthusiasts have been suggesting. Investors in developed world markets enjoyed far better returns than those endured from the developing world. Developed market indices collectively produced returns of +14% for sterling-denominated investors, but the BRIC markets delivered sterling measured returns of -11%. The poor showing of emerging markets can partly be explained by weak natural resource prices and weakening currencies.

Europe, Japan and the United States all provided profitable opportunities. The absence of awful news diverted attention from the permanence of the same old bad news in forging sentiment. Investors are bored worrying about European recessions and the risk of a breakup of the eurozone. Instead events on both sides of the Pacific Ocean provided them reasons to cheer. The avoidance of the United States teetering over the 'fiscal cliff' and evidence of a recovering domestic housing market led investors to the conclusion that the US economy had finally clicked into gear and was accelerating into an escape velocity from its debt troubles. Furthermore, what really excited investors was the monetary and stock market momentum in Japan. Investors believe that the promise of quantitative easing leads stock markets higher. They have seen this movie before in the United States. The adaptation by Japanese Prime Minister Abe is proving more of a blockbuster than the original directed by Federal Reserve Chairman Bernanke. The Japanese stock market was up over 21% in the first half in yen terms but just 13% when measured in dollars.

The Fund experienced a period of 'offsets'. Holdings that performed badly were offset by holdings that performed well. North America more than offset Latin America and our Japanese funds nearly offset our inflation protection holdings invested in gold and index-linked securities. Missing a stock market advance is always disappointing, but what was clearly more disappointing was the weakness in the portfolio's gold investments. Gold bullion fell nearly 18% in sterling terms over the six months and BlackRock Gold and General, a fund that invests in gold mining companies, fell by 31%.

PORTFOLIO REVIEW

The Fund 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 your behalf and so comprehend how they should perform in different market environments. Management changes at RIT Capital Partners and the forthcoming retirement of Philip Gibbs from managing the Jupiter Absolute Return fund led us to conclude to sell both holdings.

SPECTRUM FUND

ACD's Report (continued)

Investment Manager's Report (continued)

PORTFOLIO REVIEW (continued)

Top 10 Holdings July 2013

	% Fund
CF Ruffer European	7.8
CF Morant Wright Japan	6.6
Findlay Park American	6.6
Polar Capital Global Insurance	6.4
CG Portfolio Real Return	5.9
Gold Bullion Securities	5.5
First State Asia Pacific Leaders	5.2
HAL Trust	4.4
Lindsell Train Global Equity	3.9
Heptagon Yacktman US Equity	3.9

Total Top 10	56.2
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12 other holdings	37.7
Cash & equivalent	6.1

Total	100.0
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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	5.8
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	50.2
---------------------	-------------

14 other holdings	46.3
Cash & equivalent	3.5

Total	100.0
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Source: Troy Asset Management.

As previously noted, Japan has been a recent profitable home for savings. Zero interest rates, money printing and investors' desire for income have left equity markets guarded by an open door. On several measures the Japanese market is cheaper than alternatives and therefore we further increased the Fund's long-standing holdings of both CF Morant Wright Japan and Lindsell Train Japanese Equity funds from a combined 7% of Fund NAV to 10%. The Fund's yen exposure remains hedged back into sterling.

If the further purchases of our long-standing Japanese funds followed the path of least resistance then our other purchases were more contrarian. We further increased the Fund's holding of British Empire Securities and General. British Empire invests in companies that are trading at material discounts to the manager's estimated net asset values. Value investing has been deeply out of favour. At the time of our purchase the discount to NAV was close to 14 per cent and the manager had raised cash levels to over 20 per cent, to deploy when sentiment sours.

British Empire feels neglected by investors, but Camellia has been orphaned by the market. Camellia is a diverse holding company, listed on the London Stock Exchange that has interests in agriculture and horticulture, private banking and engineering. It is an unusual beast and so has no British sell-side analyst coverage. Shares in the company are thinly traded and so were removed from all FTSE indices earlier this year. This meant that certain index-trackers, by definition, were forced sellers depressing the share price. We took the opportunity to increase the Fund's holding of one of the most conservatively-run businesses we have come across at a material discount to NAV. We were further encouraged to see the Board also buy back shares opportunistically.

Towards the end of the interim period we increased the Fund's allocations to both emerging markets and gold miners. We initiated a holding in Somerset Capital Management's Emerging Markets Dividend Growth fund. Somerset is a London-based boutique owned by its employees. The fund's manager, Edward Lam, buys businesses that generate sustainable dividend growth by virtue of their competitive advantages, high returns and strong balance sheets. Lam typically stays off the beaten track to uncover poorly understood companies. The result is a concentrated portfolio of around 40 high quality businesses that range from Turkish industrials to Taiwanese technology. It has defended capital well when markets have fallen and should benefit from any recovery.

If emerging markets are friendless then gold miners are hated. The sharp fall in the gold price combined with disappointing production volumes and increasing cost pressures have conspired to make large parts of gold mining industry uneconomic. The result has been billion dollar asset write-downs and the curtailment of new projects. The remedy for low prices is typically low prices as supply falls below demand. Investor belief in gold has been tested at the same time as faith in the abilities of central bankers has soared to new heights. If central bankers are unable to simultaneously charm debt and equity markets then gold will likely have its day again. The cycle will turn and miners will ultimately perform. We added to the small holding of BlackRock Gold & General fund.

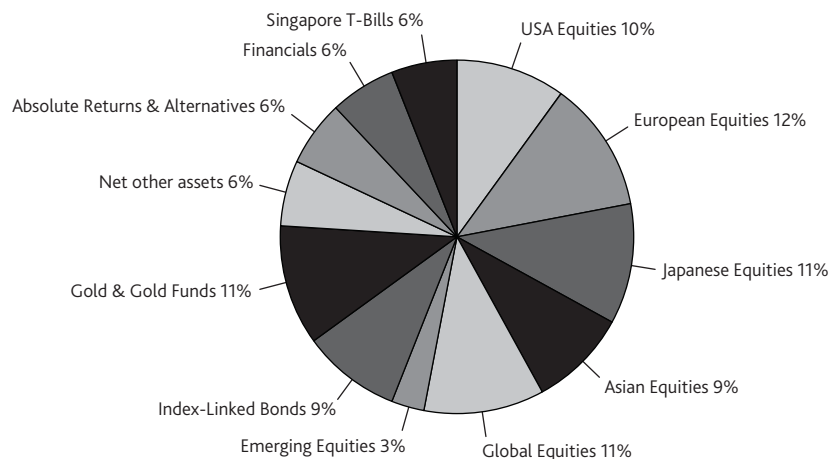
SPECTRUM FUND

ACD's Report (continued)

Investment Manager's Report (continued)

PORTFOLIO REVIEW (continued)

ASSET ALLOCATION AS AT 31 JULY 2013



Source: Troy Asset Management.

OUTLOOK

A consensus is building that good news is good for stock market performance and that bad news is also good for returns. The argument goes that if over four years of global money printing and zero interest rates finally works, then economic growth can accelerate and so highly valued stocks can grow into their earnings multiples. Conversely, if economic growth remains anaemic, living standards squeezed and job creation absent then central bankers will engage in yet more monetary unorthodoxy, propelling asset markets yet further. Commentators suggest it is 'heads you win, tails you don't lose' for investors. You will be unsurprised to read that we do not share this blind faith that markets are a one way bet. We remain cautious and worried about valuations and overall indebtedness. However, where and when we do see value and opportunity we will, as always, allocate funds in that direction.

All market data sourced from Bloomberg, unless stated otherwise.

TROY ASSET MANAGEMENT LIMITED

Investment Manager

21 August 2013

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*	149.88	137.13	0.4948

'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*	152.56	139.45	0.5044

'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*	148.87	136.20	0.1195

PERFORMANCE RECORD (continued)

'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*	151.42	138.54	0.0469

From 21 February 2008.

From 1 August 2011.

* To 31 July 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
31.07.13	'O' Income	61,397,787	42,761,679	143.58
	'O' Accumulation	22,621,743	15,440,235	146.51
	'I' Income	168,494	118,171	142.58
	'I' Accumulation	1,173,295	808,313	145.15

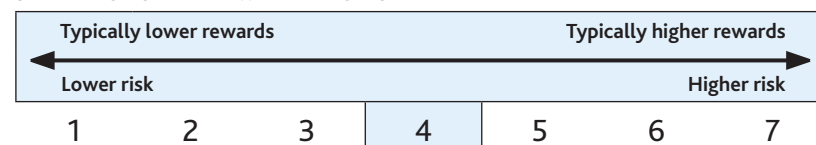
ONGOING CHARGES FIGURE

Expense Type	31.07.13 %		31.01.13 %	
	'O'	'I'	'O'	'I'
ACD's periodic charge	0.65	1.15	0.65	1.15
Other expenses	0.11	0.10	0.12	0.11
	0.76	1.25	0.77	1.26
Collective investment scheme costs	0.68	0.68	0.68	0.68
Ongoing charges figure	1.44	1.93	1.45	1.94

The Ongoing Charges Figure ('OCF') represents the total operating expenses of the Fund, expressed as a percentage of the average net over a 12 month 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.

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 the Fund.

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

DISTRIBUTIONS

Share Class	Interim 31.07.13 pence per share
'O' Income	0.3638
'O' Accumulation	0.3714
'I' Income	0.1195
'I' Accumulation	0.0469

FUND PERFORMANCE TO 31 JULY 2013 (%)

	6 months	1 year	3 years	5 years
Spectrum Fund	0.76	7.49	21.54	49.82

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

PORTFOLIO STATEMENT
AS AT 31 JULY 2013

Holding	Portfolio of Investments	Value £	Total Net Assets 31.07.13 %	31.01.13 %
DEBT SECURITIES				
SG\$1,500,000	Monetary Authority of Singapore 0% 23.08.13	776,535	0.91	
SG\$1,100,000	Monetary Authority of Singapore 0% 13.09.13	569,378	0.67	
SG\$1,150,000	Monetary Authority of Singapore 0% 20.09.13	595,230	0.70	
SG\$3,900,000	Monetary Authority of Singapore 0% 11.10.13	2,018,307	2.36	
SG\$2,350,000	Monetary Authority of Singapore 0% 18.10.13	1,216,095	1.43	
	TOTAL DEBT SECURITIES	5,175,545	6.07	7.91
INDEX-LINKED BONDS				
20,770	CG Portfolio Dollar Fund	2,757,997	3.23	
27,129	CG Portfolio Real Return	5,009,654	5.87	
	TOTAL INDEX-LINKED BONDS	7,767,651	9.10	8.10
EUROPEAN EQUITIES				
1,470,020	CF Ruffer European#	6,634,494	7.77	
44,893	HAL**	3,736,970	4.38	
	TOTAL EUROPEAN EQUITIES	10,371,464	12.15	12.02
UNITED STATES EQUITIES				
131,094	Findlay Park American	5,612,834	6.58	
36,803	Heptagon Yacktman US Equity	3,286,732	3.85	
	TOTAL UNITED STATES EQUITIES	8,899,566	10.43	9.56
EMERGING MARKETS EQUITIES				
122,450	Findlay Park Latin American	1,526,541	1.79	
874,661	Somerset Emerging Markets Dividend Growth	1,011,108	1.18	
	TOTAL EMERGING MARKETS EQUITIES	2,537,649	2.97	2.10

Holding	Portfolio of Investments	Value £	Total Net Assets	
			31.07.13 %	31.01.13 %
	JAPANESE EQUITIES			
2,336,458	CF Morant Wright Japan#	5,648,387	6.62	
5,170,771	Lindsell Train Japanese Equity	3,273,200	3.83	
	TOTAL JAPANESE EQUITIES	8,921,587	10.45	7.13
	ASIAN EQUITIES			
998,373	First State Asia Pacific Leaders	4,452,843	5.22	
9,009	Veritas Asian	2,802,868	3.28	
	TOTAL ASIAN EQUITIES	7,255,711	8.50	9.01
	GLOBAL EQUITIES			
650,000	British Empire Securities and General*	3,263,000	3.82	
34,700	Camellia**	3,157,700	3.70	
2,271,087	Lindsell Train Global Equity	3,311,700	3.88	
	TOTAL GLOBAL EQUITIES	9,732,400	11.40	9.27
	ABSOLUTE RETURNS & ALTERNATIVES			
1,504,385	Aberforth Geared Income <i>zdp</i> *	2,049,725	2.40	
2,088,709	Better Capital 2009**	3,133,063	3.67	
	TOTAL ABSOLUTE RETURNS & ALTERNATIVES	5,182,788	6.07	11.23
	FINANCIALS			
1,672,873	Polar Capital Global Insurance	5,456,410	6.39	5.75
	COMMODITIES			
400,005	BlackRock Gold and General	3,264,040	3.82	
12,300	ETFS Physical Swiss Gold	1,045,711	1.23	
56,250	Gold Bullion Securities	4,670,163	5.47	
	TOTAL COMMODITIES	8,979,914	10.52	14.38
	FORWARD CURRENCY CONTRACTS			
¥(1,400,000,000)	Vs £9,284,497 (expiry 11.10.2013)	(112,414)	(0.13)	–

	Value £	Total Net Assets	
		31.07.13 %	31.01.13 %
Portfolio of investments##	80,168,271	93.92	96.46
Net other assets	5,193,048	6.08	3.54
Net assets	85,361,319	100.00	100.00

All investments are collective investment schemes unless stated otherwise.

All debt securities held are investment grade.

* Investment trust.

** Equity.

Related party holding.

Includes derivative liabilities.

Definition:

zdp – zero dividend preference.

SPECTRUM FUND

ACD's Report (continued)

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 31 JULY 2013

Total purchases for the half year **£10,538,410**

Purchases	Cost £
Camellia	3,016,908
CG Portfolio Dollar Fund	1,700,000
British Empire Securities and General	1,277,627
CF Morant Wright Japan	1,265,407
BlackRock Gold and General	1,000,000
Somerset Emerging Markets Dividend Growth	1,000,000
Lindsell Train Japanese Equity	863,468
CF Ruffer European	415,000

Total sales for the half year **£6,970,391**

Sales	Proceeds £
Jupiter Absolute Return	3,633,606
RIT Capital Partners	2,131,679
ETFS Physical Swiss Gold	999,166
Jupiter Second Split	205,940

The summary of material portfolio changes represent all the purchases and sales (excluding money market instruments) during the half year.

In addition to the above, purchases and redemptions of £12,437,922 and £13,659,559 respectively were made on Singapore Treasury Bills.

SPECTRUM FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 31 JULY 2013

	31.07.13	31.07.12
£	£	£
Income:		
Net capital gains	594,435	540,650
Revenue	532,142	289,267
Expenses	(319,188)	(272,980)
Finance costs: Interest	—	—
Net revenue before taxation	212,954	16,287
Taxation	—	—
Net revenue after taxation	212,954	16,287
Total return before distributions	807,389	556,937
Finance costs: Distributions	(212,954)	(17,394)
Change in net assets attributable to shareholders from investment activities	594,435	539,543

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

	31.07.13	31.07.12
£	£	£
Opening net assets attributable to shareholders	79,912,181	63,209,372
Amounts receivable on issue of shares	5,916,346	10,585,353
Amounts payable on cancellation of shares	(1,164,144)	(889,736)
	4,752,202	9,695,617
Dilution levy charged	46,673	60,813
Stamp duty reserve tax	(1,896)	(945)
Change in net assets attributable to shareholders from investment activities	594,435	539,543
Retained distribution on Accumulation shares	57,724	5,246
Closing net assets attributable to shareholders	85,361,319	73,509,646

The above statement shows the comparative closing net assets at 31 July 2012 whereas the current accounting period commenced 1 February 2013.

BALANCE SHEET
AS AT 31 JULY 2013

	31.07.13	31.01.13
£	£	£
ASSETS		
Investment assets	80,280,685	77,082,893
Other assets		
Debtors	100,928	95,373
Cash and bank balances	6,365,711	4,087,226
Total other assets	6,466,639	4,182,599
Total assets	86,747,324	81,265,492
LIABILITIES		
Investment liabilities	(112,414)	—
Other liabilities		
Creditors	(1,117,883)	(1,298,843)
Distribution payable on Income shares	(155,708)	(54,468)
Total other liabilities	(1,273,591)	(1,353,311)
Total liabilities	(1,386,005)	(1,353,311)
Net assets attributable to shareholders	85,361,319	79,912,181

GENERAL INFORMATION

Head Office: Ibex House, 42 – 47 Minories, 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.com, 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.

