

# **Saracen Growth Fund**

February 2012

# Saracen Fund Managers Ltd

- ▶ Founded in 1998 by Jim Fisher
- ▶ UK Growth Fund launched in March 1999
- ▶ Achieved 246.1% v 55.4% for FTSE All Share Index\*
- ▶ Graham Campbell & Daniel Leaf joined the Company
- ▶ Launch of Global Income & Growth Fund
- ▶ New web-site [www.saracenfundmanagers.com](http://www.saracenfundmanagers.com)

\* Calculation based on total return from Beta shares from 5<sup>th</sup> March 1999 to 31 January 2012



# Saracen UK Growth

- ▶ Inception - March 1999
- ▶ Fund Managers - Jim Fisher, Craig Yeaman
- ▶ Fund Size - £36m
- ▶ Benchmark - FTSE All Share Index



# Investment Process

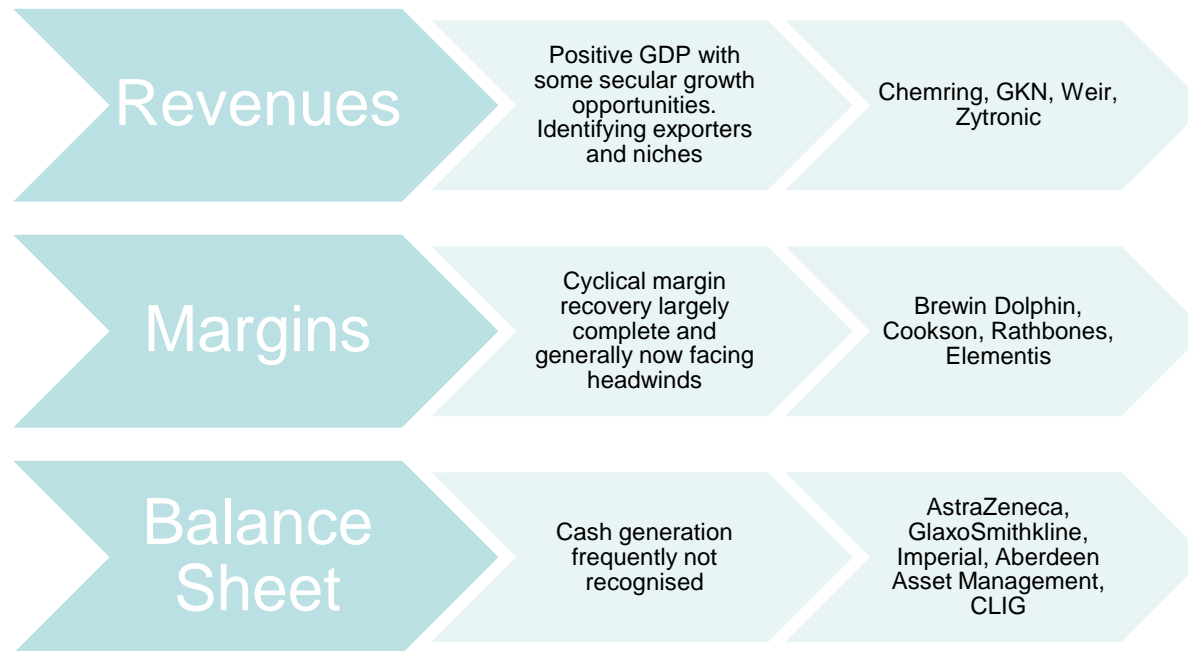
Constructed from in-house BUY list

- ▶ Focus on long-term cash earnings
- ▶ Balance sheet
- ▶ Value creation

Forecasts estimate earnings risk



# Valuation Opportunities



# Portfolio Construction

- ▶ Based on Valuation
- ▶ Individual & collective risk/reward determine final weighting
- ▶ Adjusted for liquidity



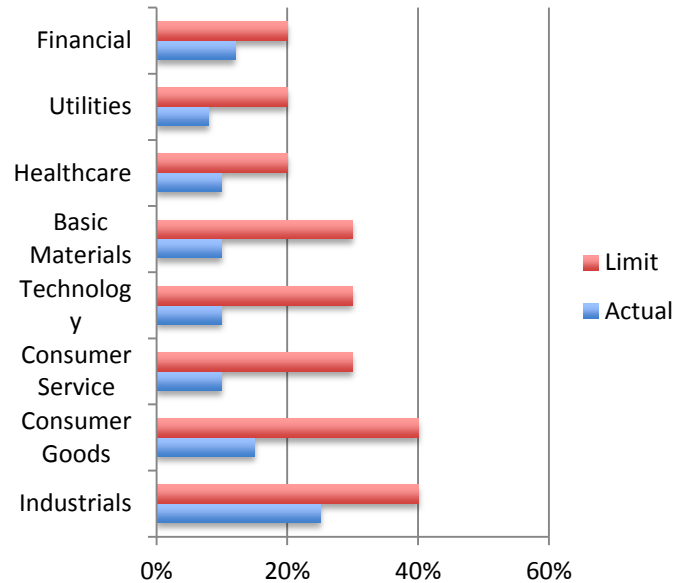
# Risk Control

- ▶ Integral part of investment process
- ▶ Holdings between 2% - 5%
- ▶ Reduced above 7.5%
- ▶ Sector Limits



# Sector Limits

- ▶ Differentiated 40%
- ▶ Partly Differentiated 30%
- ▶ Homogenous 20%



# Structural Drivers

- ▶ Continuity of fund manager
- ▶ Low portfolio turnover
- ▶ Alignment of interests
- ▶ Competitive charges

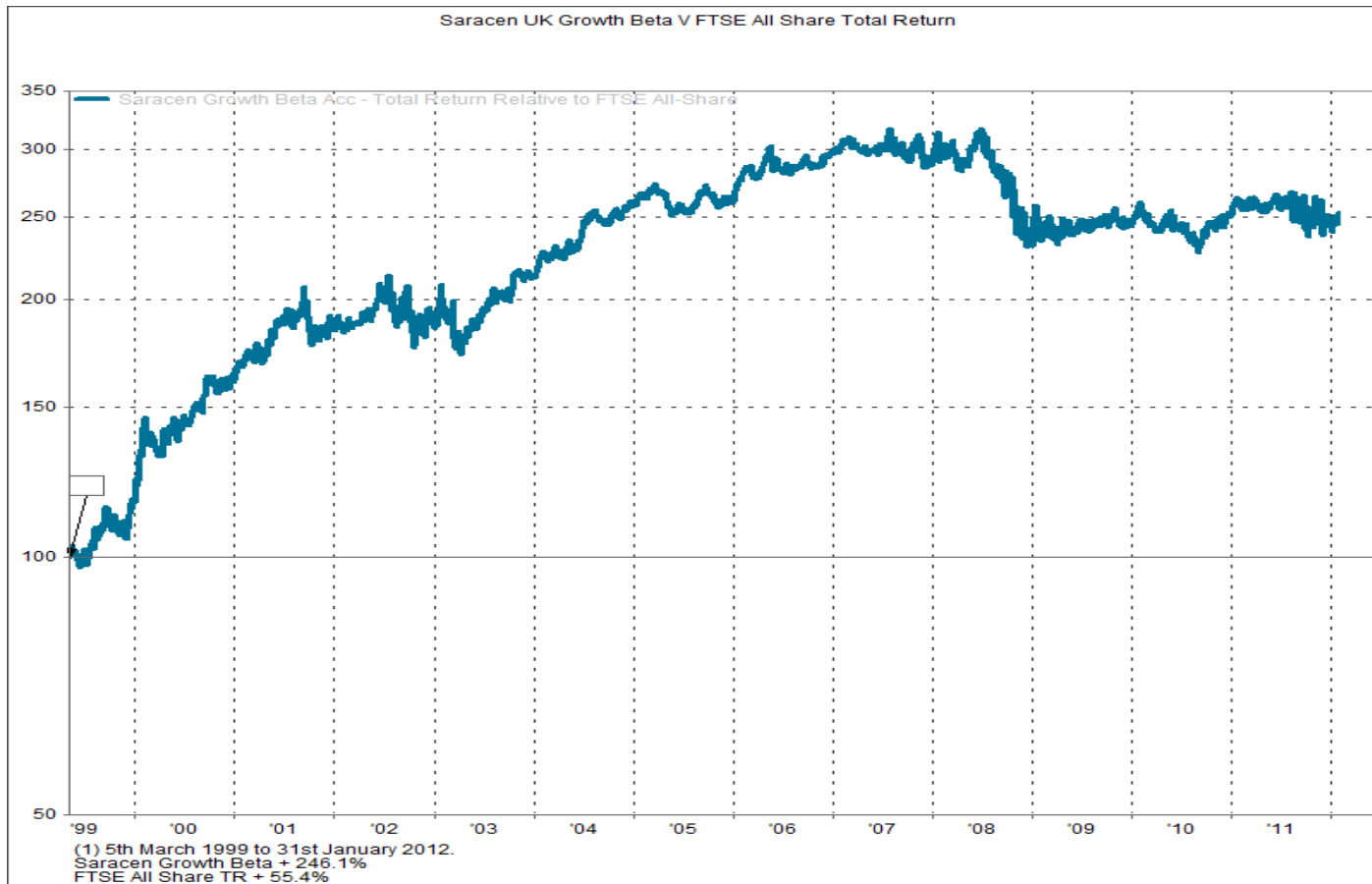


# Portfolio Activity

- ▶ Self-funded roll-out strategy with market leading position: Craneware & Avon Rubber
- ▶ Value in asset managers: Aberdeen Asset Management
- ▶ Margin recovery still in early stages: Elementis



# Saracen Growth Beta Relative Total Return



# Historic Performance

consistent discrete performance

Total Return %	Year to 31/12/11	Year to 31/12/10	Year to 31/12/09	Year to 31/12/08	Year to 31/12/07	Year to 31/12/06	Year to 31/12/05	Year to 31/12/04	Year to 31/12/03	Year to 31/12/02	Year to 31/12/01	Year to 31/12/00	Launch* to 31/12/99
SGF	-8.6	+17.6	+33.5	-44.6	+1.5	+31.9	+23.1	+36.7	+36.1	-21.7	-0.2	+30.0	+32.5
ASI	-3.6	+14.5	+30.1	-29.9	+5.3	+16.8	+22.0	+12.8	+20.9	-22.7	-13.3	-5.9	+16.2
Relative Performance	-5.2	+2.7	+2.6	-20.5	-3.6	+13.0	+0.9	+21.2	+12.6	+1.3	+15.1	+38.2	+14.0

\* 5 March 1999 (Beta shares)

Source : Annual Report & Accounts of Saracen Investment Funds ICVC

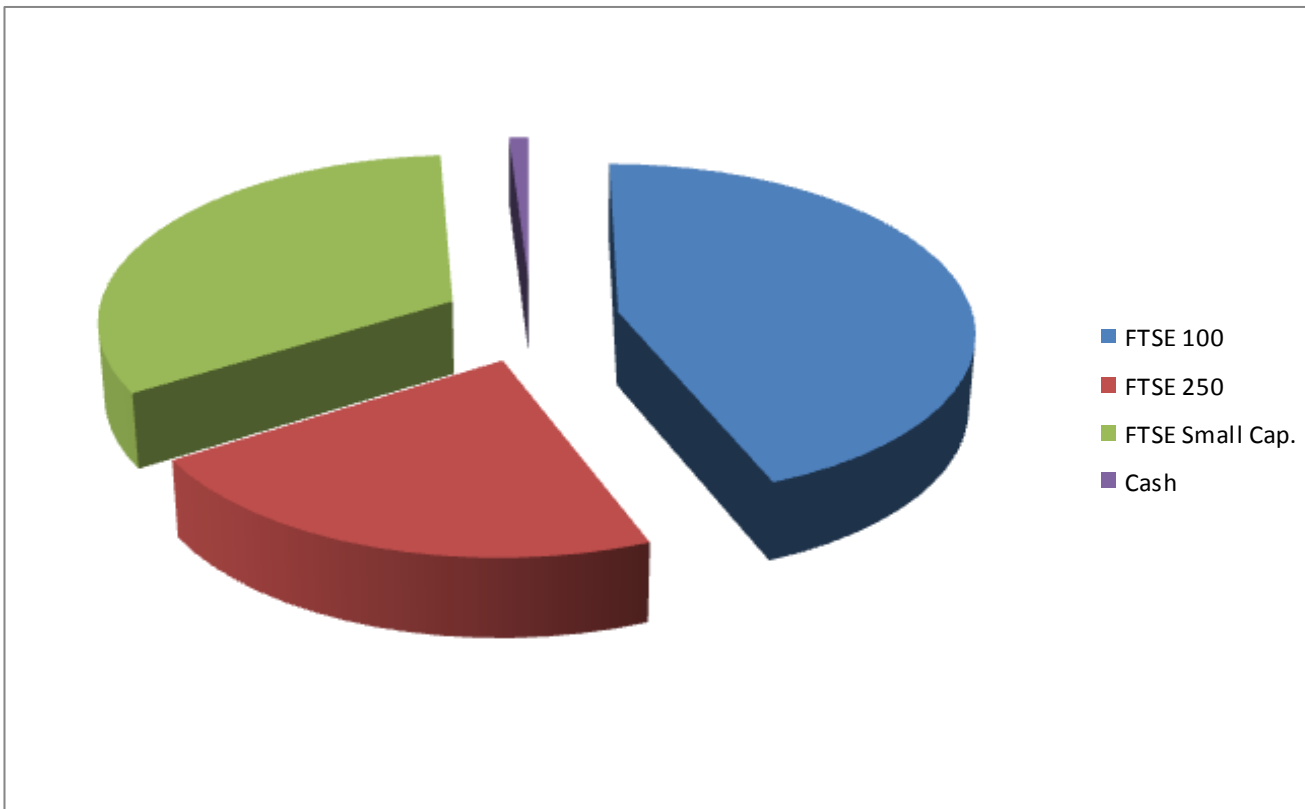


# SGF Top 20 Holdings

BP plc	4.6%
GKN plc	4.1%
BG Group plc	3.8%
Zytronic plc	3.8%
City of London Investment Group plc	3.6%
Anglo Pacific Group plc	3.5%
Royal Dutch Shell B Shares	3.5%
Vodafone plc	3.3%
Ormonde Mining plc	3.2%
Invensys plc	3.2%
Babcock International Group plc	3.2%
Legal & General plc	3.1%
GlaxoSmithkline plc	3.0%
Weir Group plc	2.9%
Chemring plc	2.9%
Concurrent Technology plc	2.8%
AstraZeneca plc	2.8%
Brewin Dolphin plc	2.7%
IMI plc	2.7%
Elementis plc	2.6%



# Portfolio Size Breakdown



# Saracen Offering

- ▶ Alignment of interests with investors
- ▶ Investors have direct access to and regular contact with their fund manager
- ▶ Consistent fundamental approach based on in depth analysis



# Saracen Offering

- ▶ Same manager since inception
- ▶ History of long term outperformance
- ▶ Consistency of outperformance



# Appendices



# Biographies

## ▶ Jim Fisher

Jim established Saracen Fund Managers Ltd in 1997 and remains a major shareholder in the company. He has 35 years' experience in the investment management industry and a successful track record in managing money. He also formed a previous asset management business in 1993, SFM Investment Management Ltd, and launched Saracen Value Investment Trust PLC on the stockmarket. SFM was successfully sold prior to the launch of Saracen Fund Managers.

Despite his advancing maturity, Jim retains his youthful outlook, thanks in no small part to his young son.

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## ▶ Craig Yeaman

Craig joined Saracen in June 2008 from Aberdeen Asset Management. Craig started his career in the investment industry in 1999 when he joined Clydesdale Bank's Portfolio Management Unit as an analyst. From there he moved to Glasgow Investment Managers in 2001 as an Investment Manager where he was Deputy Manager of both Shires Income PLC and Shires Smaller Companies PLC Investment Trusts. In August 2007, following their takeover of GIM, Craig transferred to Aberdeen Asset Management.

Craig is the team's most active sporting participant and spectator and he is also a keen bowler.

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# Biographies contd.

## ▶ Graham Campbell

Graham joined Saracen from Edinburgh Partners where he was one of the founding partners and Director. He is a major shareholder in Saracen. Prior to this he was Head of Retail Funds at SWIP. Before SWIP, Graham spent ten years with Edinburgh Fund Managers, where he was a Director. Previous to this, Graham worked for National Mutual and General Accident after beginning his career with Campbell Neill (stockbrokers) in 1982.

Although in the twilight of his sporting career, Graham remains actively involved in Judo, where he was a former Commonwealth medallist.

## ▶ Daniel Leaf

Daniel was most recently Head of Investments at Bank of Scotland Portfolio Management Service where he was responsible for investment strategy for the Group's discretionary wealth management customers. He had previously spent almost twenty-five years in institutional stock broking where he was a Managing Director at Deutsche Bank and subsequently set up an Edinburgh office for Teather and Greenwood. He started his career in stock broking as an analyst at Wood Mackenzie, where he helped its research team in the Brewing Sector achieve the industry's top ranking from its institutional clients.

Despite living in Scotland for over twenty years and recognising the thankless nature of the pursuit, Daniel has remained a loyal and slightly obsessive follower of Tottenham Hotspur.



# Fund Features

- ▶ Institutional & Retail Share Classes with respective 1.0% and 1.5% management charges
- ▶ Fund Yield 1.8% (Institutional Shares)
- ▶ Accumulation Units



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