TB SARACEN UK INCOME FUND

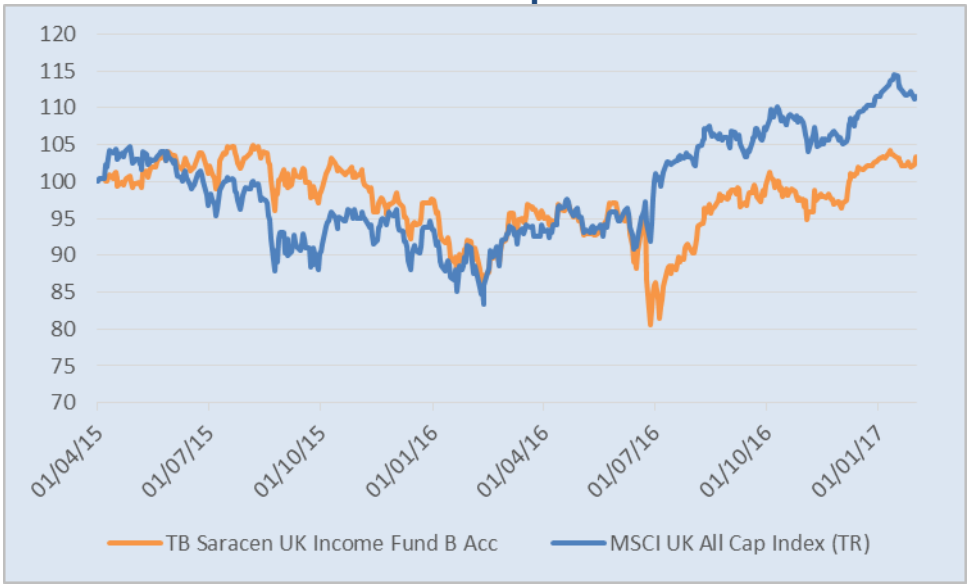
31 January 2017

SARACEN share success

Fund Objective and Policy

The objective is to provide income exceeding 110% of the dividend income of the MSCI UK All Cap index and an overall return (income plus capital growth) which is superior to that index. At least 80% of the fund will be invested in shares of UK Companies.

Fund Performance Since Inception*



**Source: Factset*

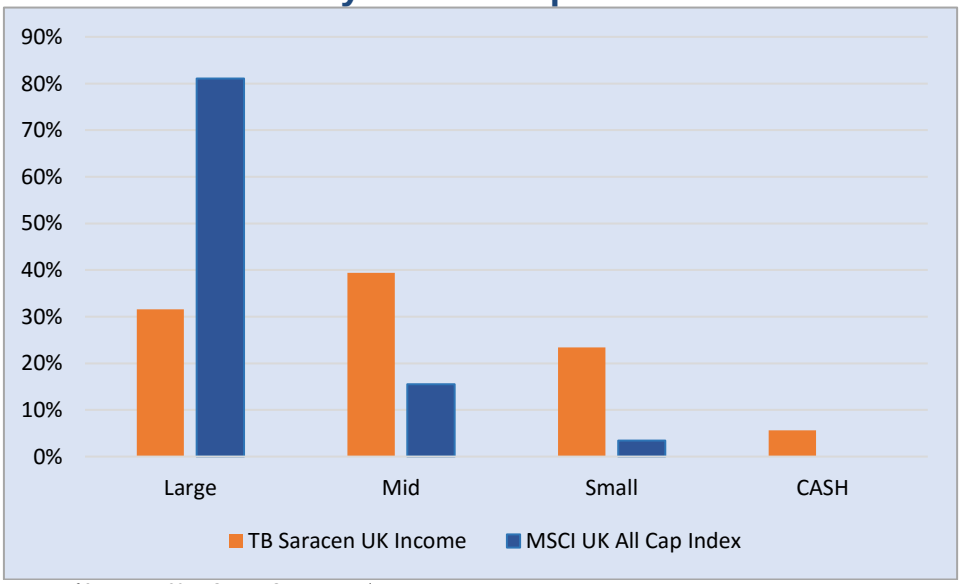
Total Return, Bid to Bid, GBP terms. Past performance is not a reliable indicator of future results. The value of your investment and the income derived from it can go down as well as up and you may not get back the money you invested.

Cumulative Performance after all ongoing charges to latest valuation point in January 2017

	1 month	3 months	6 months	1 year	Since launch*
TB Saracen UK Income B Acc	-0.3%	5.1%	11.9%	11.2%	3.3%
MSCI UK All Cap Index (TR)	-0.3%	2.9%	7.3%	20.4%	11.6%
Sector Average	-0.1%	2.4%	5.6%	13.7%	9.0%
Quartile Ranking	3	1	1	3	4

Source: Financial Express; launch date 01 April 2015 *Sector: IA Sector (UK Equity Income)*

Fund Breakdown by Market Cap



Data as of 31 January 2017, Source: Saracen Fund Managers

FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

FUND DETAILS

(as at 31 January 2017)

Fund size: £2.4m
Launch date: 01/04/15
Forecast yield: 4.7%

No. of holdings: 33

Active share: 85%
Beta: 0.86
Source: Factset as at 31/1/17

Denomination: GBP
Valuation point: 12.00 noon

XD date: 30 June, 31 Dec
Pay date: 28/29 Feb, 31 Aug

Fund prices:
B Accumulation: 103.29p
B Distribution: 95.06p

Policy is not to charge a dilution levy except in exceptional circumstances.

ACD:
T. Bailey Fund Services Limited

Fund Manager

Scott McKenzie joined Saracen in 2014 and has managed the Fund since launch. He has over 20 years' experience managing equity income funds.

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January - Attribution Analysis*

Top Contributors	Positive
Vesuvius	+0.50%
Rio Tinto	+0.33%
BHP Billiton	+0.27%
Lloyds Banking	+0.14%
Vitec	+0.14%
Top Detractors	**Negative**
Jupiter Fund Management	-0.24%
Astra Zeneca	-0.25%
Standard Life	-0.30%
St Ives	-0.44%
Next	-0.52%

**** Source: Factset as at 31/01/17***

Fund Breakdown

Top 10 Holdings	
Astra Zeneca	4.5%
Phoenix Group	4.5%
Standard Life	4.1%
Lloyds Banking	3.9%
Berkeley Group	3.9%
Aviva	3.7%
Rio Tinto	3.7%
Tyman	3.7%
Royal Dutch Shell	3.6%
Close Brothers	3.3%

Sector breakdown	
Financials	29.1%
Consumer Services	14.1%
Consumer Goods	13.2%
Basic Materials	10.2%
Industrials	9.5%
Oil & Gas	5.8%
Technology	5.9%
Healthcare	4.5%
Telecoms	2.1%
Utilities	0.0%

Monthly Commentary

- **Performance**
  After the dramatic events of 2016 the UK market started 2017 with a whimper, with the All Share index falling by 0.3% during January. Over the month the small and midcap indices fared a little better, with both in positive territory. The FTSE100 index was blighted by profit warnings from Next, Pearson and BT and fell 0.6%. The Fund had a very dull month, falling 0.3%, in line with the index. The portfolio proved to be a mixed bag with two profit warnings offsetting a number of good recoveries elsewhere.

- **Positives**
  Our holding in the engineer Vesuvius rose 20% as investors looked towards recovery in the US steel sector post Trump. Both mining stocks, Rio Tinto and BHP Billiton, continued to benefit from rising commodity prices and improving dividend prospects as well as a more upbeat global growth outlook. After a tough 2016 Lloyds began to recover as perception started to improve whilst FDM Group had another positive trading update.

- **Negatives**
  We were blighted by two profit warnings. Whilst St Ives was a small position its second warning in a year saw it fall 40%. It will not be retained in the Fund longer term. Next had a disappointing Christmas update and the shares fell another 20%. It is a fundamentally well run business but faces shorter term challenges. We believe that the shares offer exceptional long term value now. Some of our larger positions such as Standard Life and Astra Zeneca saw profit taking after good runs towards the end of 2016.

- **Portfolio Activity**
  There was only one transaction, a new purchase of National Express, which announced the sale of its UK rail business. We view it as a solid, reliable company which should produce good dividend growth. The Fund currently holds 6% in cash which shall be re-invested imminently.

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual Charge	Ongoing** Charge
B Acc Shares	GB00BW9H1K24	BW9H1K2	BBG008D4LJ68	SARUKIFACC33	0%	0.50%	2.29%
B Dis Shares	GB00BW9H1L31	BW9H1L3	BBG008D4LJF8	SARUKIFDIS33	0%	0.50%	2.29%

*** From annual audited accounts to 31 December 2015 (for the period 01 April – 31 December 2015)*

To place a deal or for further information contact:

T. Bailey Fund Services Limited (TBFS)
64 St. James's Street
Nottingham
NG1 6FJ

General Enquiries: 0115 988 8200
Dealing Line: 0115 988 8274
E-mail Dealing: clientservices@tbailey.co.uk

(Phone and email deals will only be accepted on completion of initial account set up and by prior agreement with TBFS)

T. Bailey Fund Services Limited is authorised and regulated by the Financial Conduct Authority (No. 190293).

Important information:

This information should not be construed as an invitation, offer or recommendation to buy or sell investments, shares or securities or to form the basis of a contract to be relied on in any way and is by way of information only. Taxation levels, benefits and reliefs may all vary depending on individual circumstances and are subject to change. The historic yield reflects distribution payments declared by the fund over the previous year as a percentage of its share price. This document represents the views of Saracen Fund Managers Limited at the time of writing. Subscriptions will only be received and shares issued on the basis of the current Prospectus, Key Investor Information Document (KIID) and Supplementary Information Document (SID). These are available, in English, together with information on how to buy and sell shares, on-line at: www.tbaileyfs.co.uk.

Risk factors you should consider before investing:

The value of investments and the income from them may go down as well as up and you may get back less than the amount invested. **Past performance is not a guide to future performance**. A full list of the risks applicable to this Fund can be found in the Prospectus. All fund performance figures calculated on a single price basis. This Fund may not be appropriate for investors who plan to withdraw their money in the short-term (within 5 years). The Fund should be viewed as a medium to long-term investment only.

Investment Manager:

Saracen Fund Managers Ltd, 19 Rutland Square, Edinburgh, EH1 2BB. Tel: 0131 202 9100 and on-line at www.saracenfundmanagers.com. Saracen Fund Managers Limited is authorised and regulated by the Financial Conduct Authority. Registered in Scotland No. 180545.

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Regulatory Status:
FCA Recognised: Yes
Scheme Type: OEIC (UCITS)

Issue date – 30 December 2016