

# TB Saracen UK Alpha Fund

May 2018

**SARACEN**  
share success

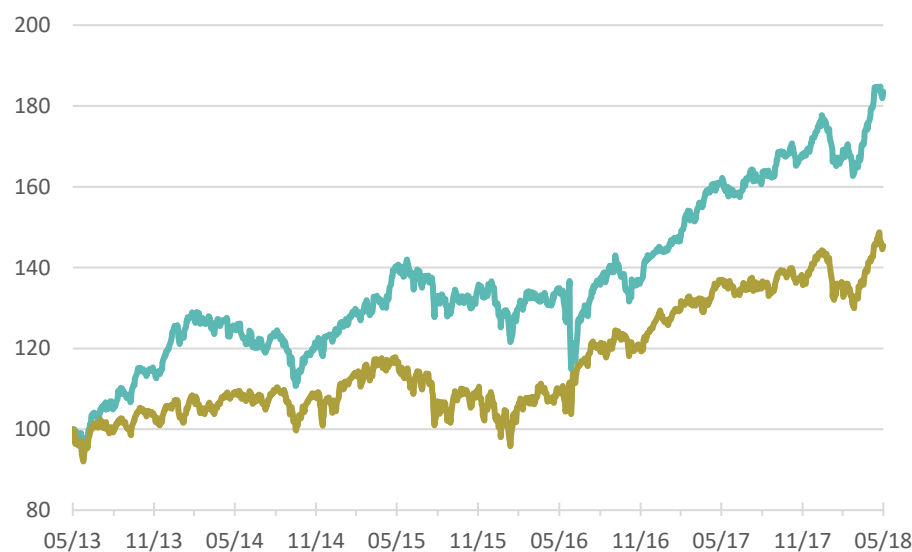
## Fund Overview

- Objective: to achieve a higher rate of return than the MSCI UK All Cap Index by investing in a portfolio of primarily UK equity securities with the potential for long term growth.
- The portfolio has a bias towards small and medium sized companies and a high active share compared to the benchmark.
- The fund has significant capacity and liquidity at a competitive annual charge.
- Since launch in March 1999, the fund has outperformed its benchmark in 15 out of 19 years and in 7 out of the last 9 calendar years.
- A concentrated portfolio of 25-35 holdings, with a focus on capital growth, backed by the Saracen research process.

## Performance Chart\*

5 Year Performance (%)

— TB Saracen UK Alpha Fund B Acc  
— MSCI UK All Cap Index (TR)



\*Source: Bloomberg, as at 31 May 2018

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 31 May 2018

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Alpha B Acc</b>	4.1%	9.4%	13.9%	31.0%	83.6%	699.8%
<b>MSCI UK All Cap Index (TR)</b>	2.7%	7.4%	6.5%	24.2%	43.9%	
<b>Sector Average</b>	2.8%	6.8%	6.6%	22.2%	50.4%	189.4%
<b>Quartile Ranking</b>	1	1	1	1	1	1

Source: Financial Express; \*launch date 05 March 1999

Sector: IA Sector (UK All Companies)

### FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

### FUND DETAILS

(as at 31<sup>st</sup> May 2018)

**Fund size:** £8m  
**Launch date:** 05/03/99

**No. of holdings:** 27  
**Active share:** 95%  
*Source: Bloomberg*

**Denomination:** GBP

**Valuation point:** 12 noon

### Fund prices:

**A Accumulation: 494.32p**  
**B Accumulation: 799.78p**

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

### ACD:

**T. Bailey Fund Services Limited**



**Scott McKenzie**  
Fund Manager

**Scott McKenzie** joined Saracen in August 2014.

Scott has been deputy manager of the fund since 2014 and was appointed lead manager in July 2017. He has over 25 years' experience managing UK equity funds.

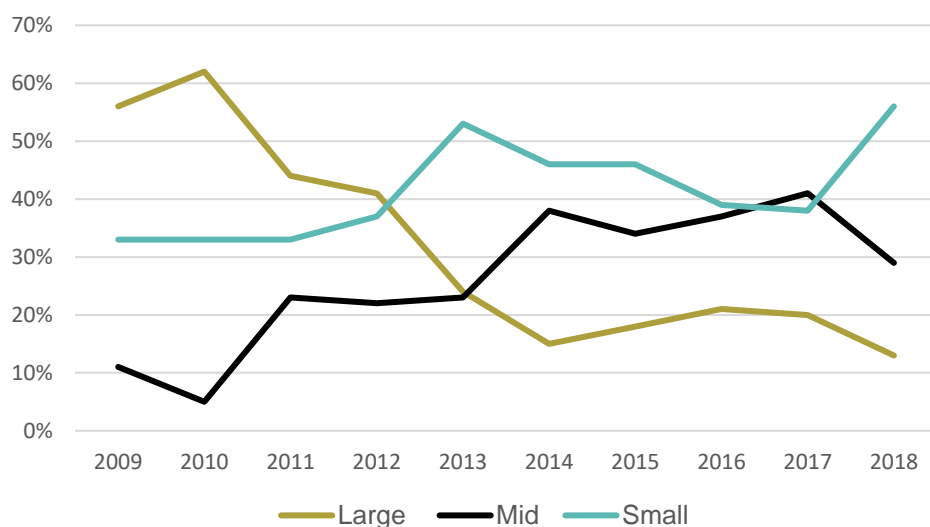


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## Fund Breakdown by Market Capitalisation



Data as of 31<sup>st</sup> May 2018, Source: Saracen Fund Managers

## Monthly Commentary

### Performance

The Fund enjoyed positive returns in May, rising by 4.1% compared to an increase in the MSCI UK All Cap index of 2.7%. The Mid250 led the charge, with a rise of 3.1% whilst the FTSE Smallcap index lagged a little, rising by only 1.5%. After another good month of recovery, the UK market total return is now positive in 2018 so far with little to separate the large, mid and smallcap indices.

### Positives

Our best performers in May came from a variety of sources. Wood Group rose 18% on an improved statement and the stronger oil price. A number of our smaller recovery stocks made further progress with U&I, STV and Greencore all bouncing by more than 10%. Our largest holding, Alpha FMC, rose 15% ahead of its results which are due in early June and the big position in Shire continued to make progress, with Takeda making a further agreed bid for the company in cash and shares.

### Negatives

Our weakest stocks during the month tended to be in UK consumer related areas. In retail Joules saw a fall of 12% after a very strong prior performance (see Portfolio Activity below) whilst Dunelm warned about a sudden slowdown in trading later in the month. IFG's price remains weak reflecting the considerable management uncertainty at the moment whilst TalkTalk, true to form, managed to fall 14% post its final results. Restore fell 7% reflecting some profit taking after the recent equity issue.

### Portfolio Activity

After its significant fall in recent months we added to the position in IFG Group where we see considerable unrealised value in its two main businesses. The holding in Joules was sold after delivering very strong returns for the fund, despite operating in a very difficult retail environment. Whilst their prospects remain bright we believe that the valuation is now stretched.

## May – Attribution \*

Top Contributors	Positive
Alpha FMC	+0.98%
Wood Group	+0.74%
Tyman	+0.50%
STV	+0.49%
Shire	+0.40%
Top Detractors	Negative
TalkTalk	-0.36%
Restore	-0.32%
Joules	-0.27%
IFG Group	-0.21%
Dunelm	-0.13%

\*Source: Bloomberg as at 31/5/18

## Fund Breakdown

Top 10 Holdings	
Alpha Financial Markets Consulting	7.0%
Shire	6.9%
Palace Capital	5.9%
Tyman	5.8%
MJ Gleeson	5.0%
RPC Group	4.8%
Wood Group	4.7%
STV	4.6%
Galliford Try	4.6%
Victoria	4.5%

Sector breakdown	
Consumer Services	20.8%
Consumer Goods	18.6%
Industrials	16.9%
Financials	15.3%
Basic Materials	12.8%
Healthcare	6.9%
Oil & Gas	4.7%
Telecoms	2.2%
Technology	0.0%
Utilities	0.0%

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual * Charge	Ongoing ** Charge
B Acc Shares	GB0005711196	0571119	SFMGRBA LN	SARGFB	0%	0.75%	1.24%

\* reduced from 1.00% as at 3/4/18, \*\* Source: T Bailey Fund Services Ltd.

**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](mailto: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).

**Platform Partners**



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**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](http://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 – 31<sup>st</sup> May 2018**