

# TB Saracen UK Income Fund

May 2018

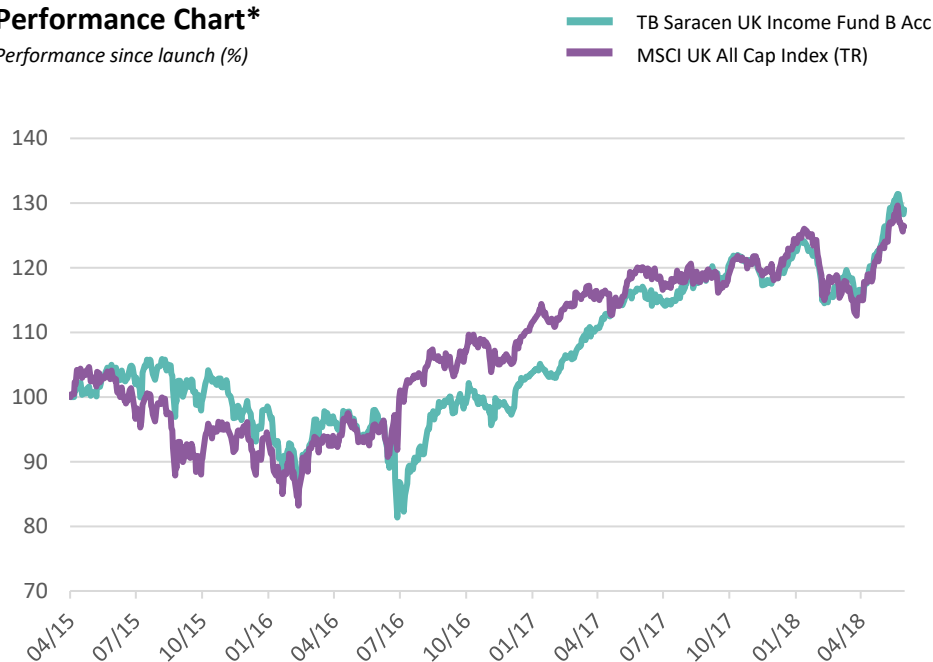
**SARACEN**  
share success

## Fund Overview

- Objective: to provide income exceeding 110% of the dividend income of the MSCI 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 the shares of UK companies.
- 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.
- The investment philosophy is value-based, combining high yield and superior dividend growth strategies.
- A concentrated portfolio of 25-35 holdings, with a focus on high and growing dividend income.

## Performance Chart\*

Performance since launch (%)



\*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.

### FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

#### FUND DETAILS

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

**Fund size:** £3m  
**Launch date:** 01/04/15

**Forecast yield:** 4.6%

**No. of holdings:** 34  
**Active share:** 85%

Source: Bloomberg

**Denomination:** GBP

**Valuation point:** 12.00 noon

**XD date:** 2 Jan  
1 July

**Pay date:** 28/29 Feb  
31 Aug

#### Fund prices:

**B Accumulation:** 129.02p  
**B Distribution:** 113.03p

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

#### ACD:

T. Bailey Fund Services Limited

## Cumulative Performance after all ongoing charges to 31 May 2018

	1 month	3 months	1 year	3 years	Since launch*
<b>TB Saracen UK Income B Acc</b>	4.1%	10.5%	10.7%	23.5%	29.0%
<b>MSCI UK All Cap Index (TR)</b>	2.7%	7.4%	6.5%	24.4%	29.0%
<b>Sector Average</b>	2.2%	6.1%	3.8%	18.4%	23.8%
<b>Quartile Ranking</b>	1	1	1	1	1

Source: Financial Express; \* launch date 01 April 2015

Sector: IA Sector (UK Equity Income)



**Scott McKenzie**  
Fund Manager

Scott McKenzie joined Saracen in August 2014 and has managed the fund since launch. He has over 25 years' experience managing UK equity funds.

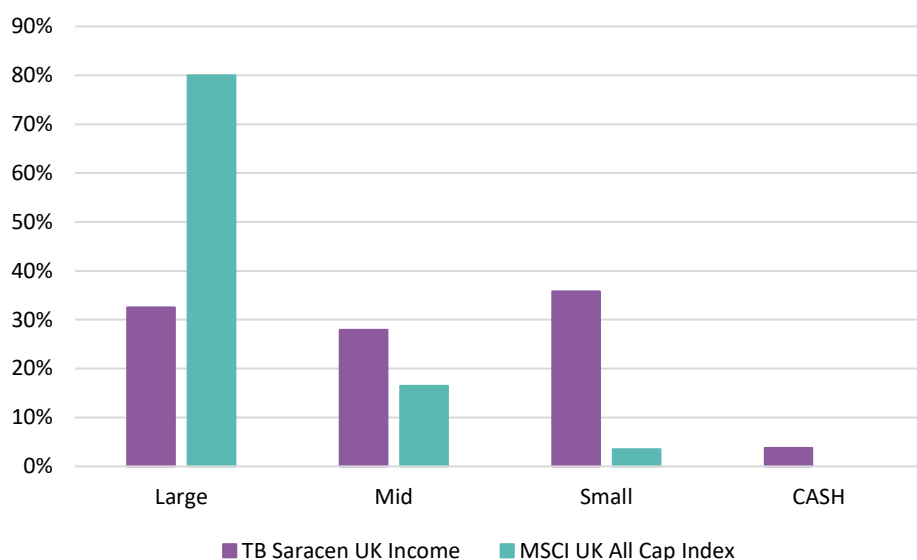


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May 2018



## 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. Resources stocks remained in favour, particularly the oil sector. Wood Group rose 18% on an improved statement and BHP rallied by 12%. A number of our smaller recovery stocks made further progress with U&I, STV and St Ives all bouncing by more than 10%. Our largest holding, Alpha FMC, rose 15% ahead of its results which are due in early June and our increase in the Gateley holding proved timely, with a positive trading statement seeing the shares go up 11%. Next continued to outperform a weak retail sector too.

### Negatives

In general, our high weighting in the financials sectors did us no favours with stocks such as Lloyds, Close Brothers, Standard Life and Aviva all drifting away over the month. Halfords was the weakest stock held during May, falling 11% in response to a decidedly lukewarm outlook statement from their new CEO, who is undertaking a strategic review over the summer months.

### Portfolio Activity

It was a busier month with a new holding in flooring distributor Headlam added. Whilst current trading is uninspiring, they have a very strong balance sheet and pay an attractive dividend. This was funded by the final sale of Berkeley Group which has served us well in recent years. We also took profits in National Express and DFS Furniture after strong runs of late and added to the legal firm, Gateley, where the stock price had been dull for some time.

## May – Attribution \*

Top Contributors	Positive
Alpha FMC	+0.76%
Wood Group	+0.39%
STV Group	+0.38%
St Ives	+0.35%
BHP Billiton	+0.34%
Top Detractors	Negative
Halfords	-0.24%
TalkTalk	-0.18%
Standard Life Aberdeen	-0.17%
Close Brothers	-0.16%
Aviva	-0.12%

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

## Fund Breakdown

Top 10 Holdings	
Alpha Financial Markets Consulting	5.3%
Imperial Brands	4.6%
Standard Life Aberdeen	3.9%
Palace Capital	3.8%
STV Group	3.5%
Aviva	3.5%
Galliford Try	3.4%
Tyman	3.4%
Rio Tinto	3.4%
Phoenix Group	3.3%

Sector breakdown	
Financials	29.6%
Consumer Services	27.8%
Consumer Goods	12.6%
Industrials	10.3%
Basic Materials	6.4%
Oil & Gas	5.5%
Healthcare	2.9%
Telecoms	1.1%
Technology	0.0%
Utilities	0.0%

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual Charge	Ongoing** Charge
B Acc Shares	GB00BW9H1K24	BW9H1K2	BBG008D4LJ68	SARUKIFACC33	0%	0.50%	1.69%
B Dis Shares	GB00BW9H1L31	BW9H1L3	BBG008D4LJF8	SARUKIFDIS33	0%	0.50%	1.69%

\*\* 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



### 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.tbaileys.co.uk](http://www.tbaileys.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](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**