

# TB Saracen UK Alpha Fund

June 2018

**SARACEN**  
share success

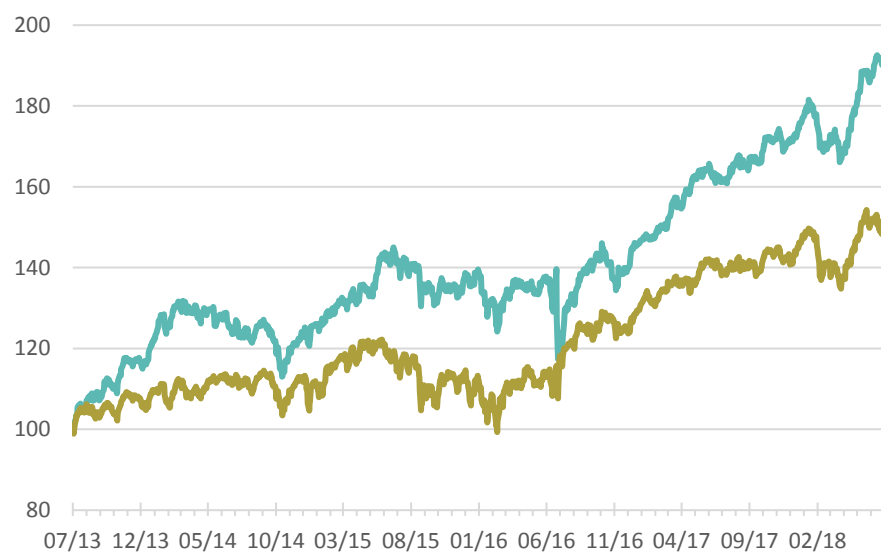
## Fund Overview

- 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 30<sup>th</sup> June 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 30 June 2018

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Alpha B Acc</b>	2.4%	13.3%	18.9%	36.1%	93.5%	718.7%
<b>MSCI UK All Cap Index (TR)</b>	-0.2%	9.3%	9.2%	31.5%	51.3%	
<b>Sector Average</b>	-0.2%	9.1%	9.1%	28.2%	56.4%	189.0%
<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 30<sup>th</sup> June 2018)

**Fund size:** £9m  
**Launch date:** 05/03/99

**No. of holdings:** 26  
**Active share:** 94%  
*Source: Bloomberg*

**Denomination:** GBP

**Valuation point:** 12 noon

### Fund prices:

**A Accumulation: 505.72p**  
**B Accumulation: 818.71p**

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 June 2017. He has over 25 years' experience managing UK equity funds.

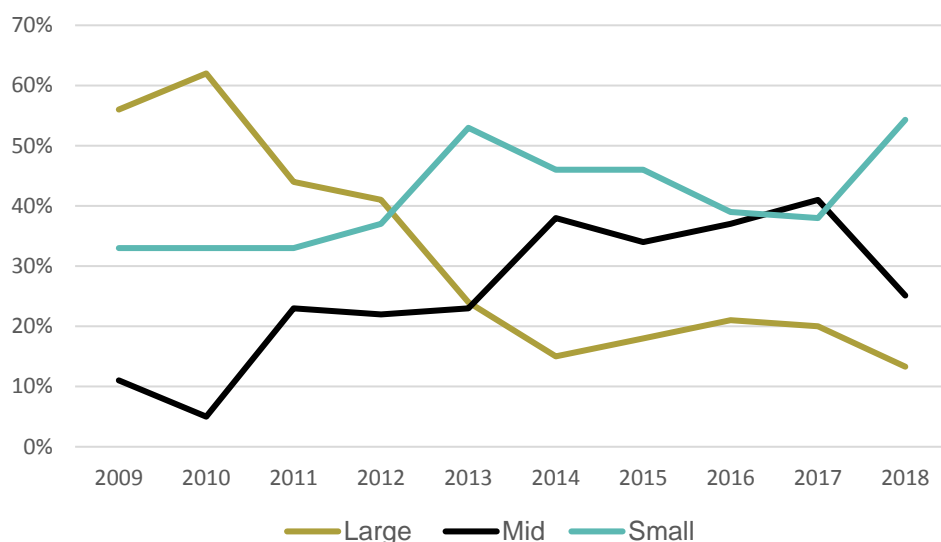


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## Fund Breakdown by Market Capitalisation



Data as of 30<sup>th</sup> June 2018, Source: Saracen Fund Managers

## Monthly Commentary

### Performance

The Fund enjoyed positive returns in June despite a falling market, rising by 2.4% compared to a fall in the MSCI UK All Cap index of -0.2%. The large, mid and smallcap indices all had similar returns over the month. The MSCI UK Cap is up by 1.7% in 2018 so far. The Fund has outperformed this benchmark materially, rising by 8.3% in the year to date, leaving it placed in the top decile of the IA UK All Companies sector over six months, one year and five years and top quartile over three years. (source: FE Trustnet)

### Positives

Two of our largest holdings, Alpha FMC and STV rose significantly in June, substantially boosting the fund's returns. Alpha delivered strong final results and rose another 29% as its strong growth prospects began to be recognised. STV continued its recovery under the new CEO and rallied by 21% from a fairly low starting point. MJ Gleeson bucked the trend in its sector, rising by 5%.

### Negatives

Galliford Try was the weakest stock held during June, falling 9% in a housebuilding sector which was weak across the board. Our large position in Wood Group fell 6% after an uninspiring statement, whilst RPC Group continued to suffer in the wake of its final results, despite improved disclosure. Dunelm fell another 6% in response to ongoing woes in the retail sector.

### Portfolio Activity

After many years of strong returns, our holding in Victrex was sold, reflecting what we regard as very high expectations now in the price. We took some profit in Alpha FMC after the strong run of late and added to Prudential and Dunelm, both of whom have lagged recently. Further to the sales detailed above, the Fund now has a cash balance of 7% which will be reinvested into new holdings in due course.

## June – Attribution \*

Top Contributors	Positive
Alpha FMC	+1.90%
STV Group	+1.02%
MJ Gleeson	+0.26%
Eurocell	+0.25%
Shire	+0.18%
Top Detractors	Negative
Galliford Try	-0.43%
Wood Group	-0.30%
RPC Group	-0.27%
Tyman	-0.19%
Dunelm	-0.18%

\*Source: Bloomberg as at 30/6/18

## Fund Breakdown

Top 10 Holdings	
Shire	6.7%
Alpha Financial Markets Consulting	6.4%
Palace Capital	5.6%
STV Group	5.4%
Tyman	5.3%
MJ Gleeson	5.1%
Galliford Try	4.4%
RPC Group	4.2%
Wood Group	4.1%
Victoria	4.1%

Sector breakdown	
Industrials	34.6%
Consumer Goods	15.8%
Financials	15.5%
Consumer Services	8.2%
Healthcare	6.7%
Basic Materials	5.7%
Oil & Gas	4.2%
Telecoms	1.9%
Technology	0.0%
Utilities	0.0%

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual * Charge	Ongoing ** Charge
B Acc Shares	GB0005711196	05711119	SFMGRBA LN	SARGFB	0%	0.75%	1.26%

\* 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



### 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. 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 – 30<sup>th</sup> June 2018