

TB Saracen UK Alpha Fund

August 2018

SARACEN
share success

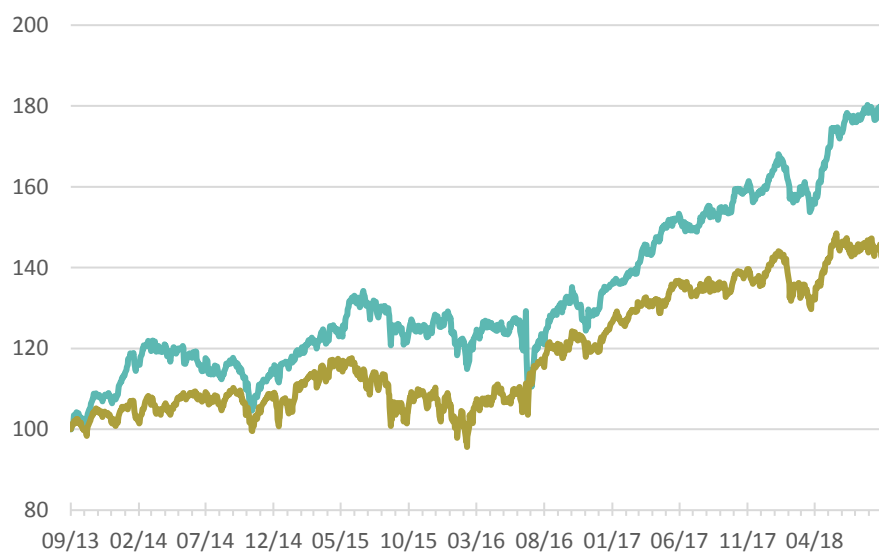
Fund Overview

- 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 31st August 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 August 2018

	1 month	3 months	1 year	3 years	5 years	Since launch*
TB Saracen UK Alpha B Acc	-1.0%	2.9%	16.5%	42.0%	80.0%	722.9%
MSCI UK All Cap Index (TR)	-2.8%	-1.7%	4.5%	33.8%	42.5%	
Sector Average	-1.3%	-0.8%	6.5%	31.9%	46.9%	187.1%
Quartile Ranking	2	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 31st August 2018)

Fund size: £11m
Launch date: 05/03/99

No. of holdings: 30
Active share: 93%
Source: Bloomberg

Denomination: GBP

Valuation point: 12 noon

Fund prices:

A Accumulation: 507.64p
B Accumulation: 822.90p

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

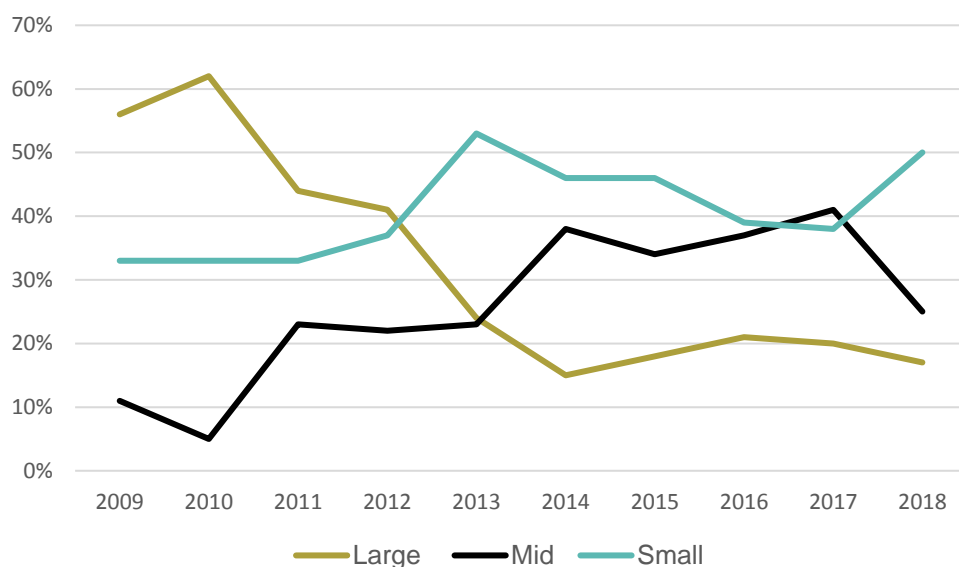


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Fund Breakdown by Market Capitalisation



Data as of 31st August 2018, Source: Saracen Fund Managers

Monthly Commentary

Performance

The Fund held up relatively well in a weak market, falling by 1.0% against a decline in the MSCI UK All Cap index of 2.8%. The mid and smallcap indices were fairly resilient, which helped the portfolio overall, with largecap indices seeing the largest falls. The Fund has risen by 8.9% in the year to date, leaving it placed in the top decile of the IA UK All Companies sector in 2018 so far. (source: FE Trustnet).

Positives

Wood Group finally delivered improving results with a positive outlook, and this saw the shares rise by 12%. The other highlight was a strong initial return from a new holding, TI Fluid Systems, again on solid results. Two of our worst performers in 2018 enjoyed some welcome respite - TalkTalk recovered another 11% and Galliford Try continued its recent rally. Shire rose as the discount to the Takeda takeover terms began to narrow.

Negatives

There was a highly disappointing profit warning from Hill & Smith and, given their high valuation, the shares fell 30% over the month. We saw ongoing profit taking in some previously strong performers – STV and MJ Gleeson both fell over the month. After a brief summer rally, RPC also fell 10% in August whilst Palace Capital fell in sympathy with a weak real estate sector. There was very little new news in each of these businesses however.

Portfolio Activity

Two new holdings were purchased, bringing the portfolio up to 30 investments. TI Fluid Systems is a global auto supplier whose shares have gone sideways since last year's IPO and offer exceptional value. Superdry is a global fashion brand which has good long term prospects despite weaker trends seen in 2018 so far. We also added to Rio Tinto which has drifted of late and to Clipper Logistics, where we hope that the recent profit disappointment will prove to be a temporary setback.

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual * Charge	Ongoing ** Charge
B Acc Shares	GB0005711196	0571119	SFMGRBA LN	SARGFB	0%	0.75%	1.20%

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

August – Attribution *

Top Contributors	Positive
Wood Group	+0.48%
TI Fluid Systems	+0.23%
TalkTalk	+0.21%
Galliford Try	+0.21%
Shire	+0.21%
Top Detractors	Negative
Hill & Smith	-0.69%
RPC Group	-0.41%
STV	-0.36%
Palace Capital	-0.36%
MJ Gleeson	-0.33%

*Source: Bloomberg as at 31/8/18

Fund Breakdown

Top 10 Holdings	
Shire	5.8%
Alpha Financial Markets Consulting	5.2%
Standard Life Aberdeen	5.0%
Galliford Try	4.9%
Wood Group	4.5%
Palace Capital	4.4%
Tyman	4.4%
MJ Gleeson	4.3%
Prudential	3.8%
RPC Group	3.8%

Sector breakdown	
Industrials	32.6%
Financials	19.3%
Consumer Goods	17.2%
Consumer Services	7.0%
Healthcare	6.1%
Basic Materials	5.6%
Oil & Gas	4.2%
Telecoms	1.9%
Technology	0.0%
Utilities	0.0%

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).

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.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 – 31st August 2018

