

# TB Saracen UK Income Fund

August 2018

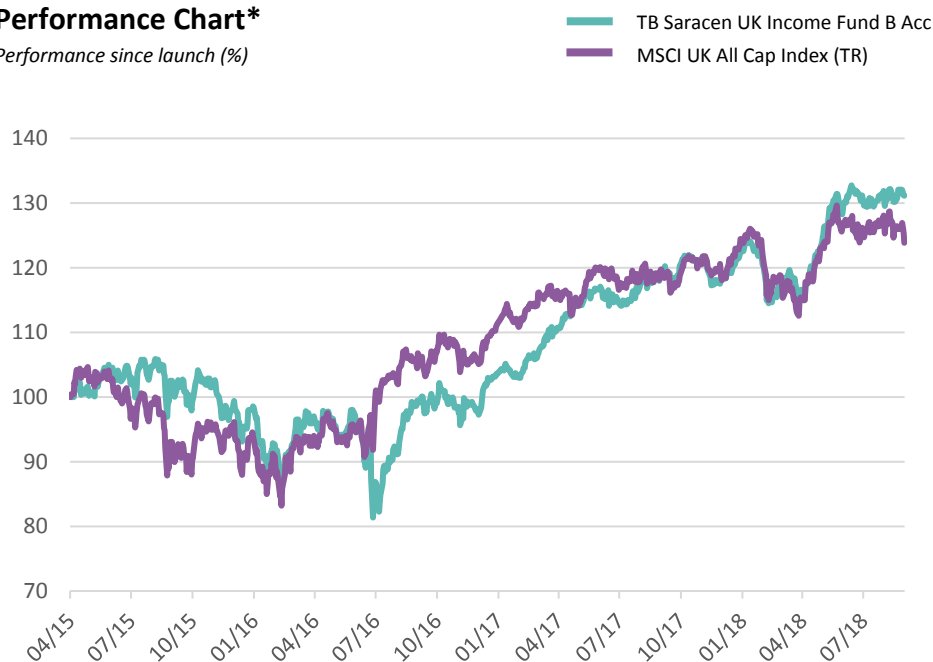
**SARACEN**  
share success

## 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<sup>st</sup> 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.

### FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

#### FUND DETAILS

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

**Fund size:** £4m  
**Launch date:** 01/04/15

**Forecast yield:** 4.6%

**No. of holdings:** 35  
**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:** 131.13p  
**B Distribution:** 112.42p

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 August 2018

|                                   | 1 month | 3 months | 1 year | 3 years | Since launch* |
|-----------------------------------|---------|----------|--------|---------|---------------|
| <b>TB Saracen UK Income B Acc</b> | -0.6%   | 1.6%     | 10.0%  | 27.9%   | 31.1%         |
| <b>MSCI UK All Cap Index (TR)</b> | -2.8%   | -1.7%    | 4.5%   | 33.8%   | 26.8%         |
| <b>Sector Average</b>             | -1.5%   | -1.2%    | 4.0%   | 26.3%   | 22.4%         |
| <b>Quartile Ranking</b>           | 1       | 1        | 1      | 2       | 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.

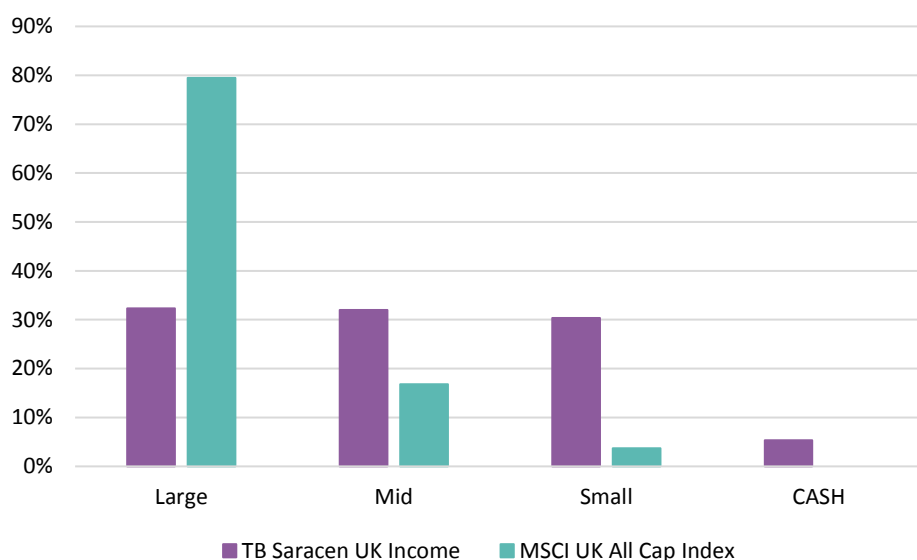


# TB Saracen UK Income Fund

August 2018



## Fund Breakdown by Market Capitalisation



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

## Monthly Commentary

### Performance

The Fund held up relatively well in a weak market, falling by 0.6% 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 7.0% in the year to date, leaving it placed in the top decile of the IA UK Equity Income 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. Some of our problem children behaved better with Standard Life Aberdeen having a relief rally on figures and Galliford Try and WPP beginning to pick up from low bases.

### Negatives

The fallers were a mixed bag and there was a general theme of profit taking in stocks which had done well in previous months. STV, RPC Group and Imperial Brands all gave up some recent gains whilst Rio Tinto suffered from weaker metals prices and a strong dollar. Palace Capital drifted in a weak UK property sector. There was little new news or items of substance in any of the above stocks.

### Portfolio Activity

A new holding was established in TI Fluid Systems, which is a global auto supplier whose shares have gone sideways since last year's IPO and offer exceptional value. We also added to Aviva, Lloyds and Gateley, all of whom offer highly attractive income streams after recent price weakness. The Fund holds 5% cash at present which will be invested imminently.

## August – Attribution \*

| Top Contributors       | Positive |
|------------------------|----------|
| Wood Group             | +0.29%   |
| TI Fluid Systems       | +0.24%   |
| Galliford Try          | +0.17%   |
| Standard Life Aberdeen | +0.16%   |
| WPP                    | +0.15%   |
| Top Detractors         | Negative |
| RPC Group              | -0.27%   |
| Palace Capital         | -0.26%   |
| STV                    | -0.25%   |
| Imperial Brands        | -0.18%   |
| Rio Tinto              | -0.12%   |

\*Source: Bloomberg as at 31/8/18

## Fund Breakdown

| Top 10 Holdings        |      |
|------------------------|------|
| Standard Life Aberdeen | 4.7% |
| Alpha FMC              | 4.7% |
| Imperial Brands        | 4.4% |
| Galliford Try          | 4.4% |
| Lloyds Banking         | 4.1% |
| Aviva                  | 3.6% |
| Palace Capital         | 3.2% |
| Vitec                  | 3.2% |
| Close Brothers         | 3.1% |
| Tyman                  | 3.1% |

| Sector breakdown  |       |
|-------------------|-------|
| Financials        | 26.8% |
| Industrials       | 23.3% |
| Consumer Services | 16.2% |
| Consumer Goods    | 12.7% |
| Basic Materials   | 5.6%  |
| Oil & Gas         | 5.6%  |
| Healthcare        | 3.0%  |
| Telecoms          | 1.1%  |
| Technology        | 0.0%  |
| Utilities         | 0.0%  |

|              | ISIN         | SEDOL   | Bloomberg    | EMX          | Initial Charge | Annual Charge | Ongoing** |
|--------------|--------------|---------|--------------|--------------|----------------|---------------|-----------|
| B Acc Shares | GB00BW9H1K24 | BW9H1K2 | BBG008D4LJ68 | SARUKIFACC33 | 0%             | 0.50%         | 1.41%     |
| B Dis Shares | GB00BW9H1L31 | BW9H1L3 | BBG008D4LJF8 | SARUKIFDIS33 | 0%             | 0.50%         | 1.41%     |

\*\* 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:

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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> August 2018