

# TB Saracen UK Income Fund

September 2018

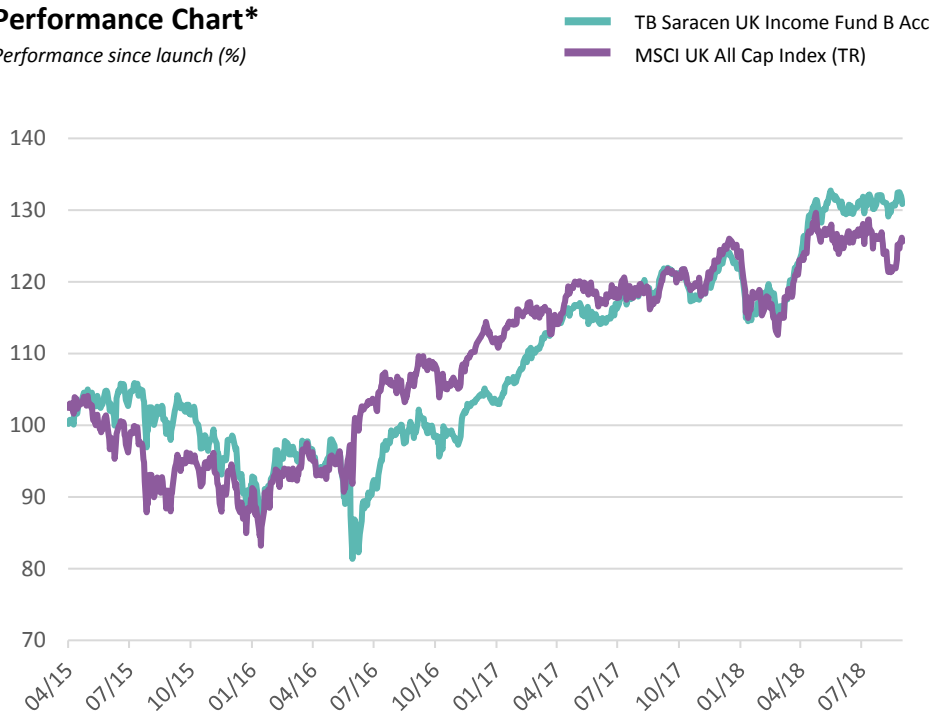
**SARACEN**  
share success

## 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 28<sup>th</sup> September 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 charges to 28 September 2018

	1 month	3 months	1 year	3 years	Since launch*
<b>TB Saracen UK Income B Acc</b>	-0.2%	-0.3%	8.9%	31.9%	30.9%
<b>MSCI UK All Cap Index (TR)</b>	0.8%	-0.8%	5.9%	38.8%	27.8%
<b>Sector Average</b>	-0.4%	-1.3%	3.4%	27.4%	21.9%
<b>Quartile Ranking</b>	2	1	1	2	1

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

Sector: IA Sector (UK Equity Income)

## FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

### FUND DETAILS

(as at 28<sup>th</sup> September 2018)

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

**Forecast yield:** 4.8%

**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:** 130.86p  
**B Distribution:** 112.17p

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 and has managed the fund since launch. He has over 25 years' experience managing UK equity funds.

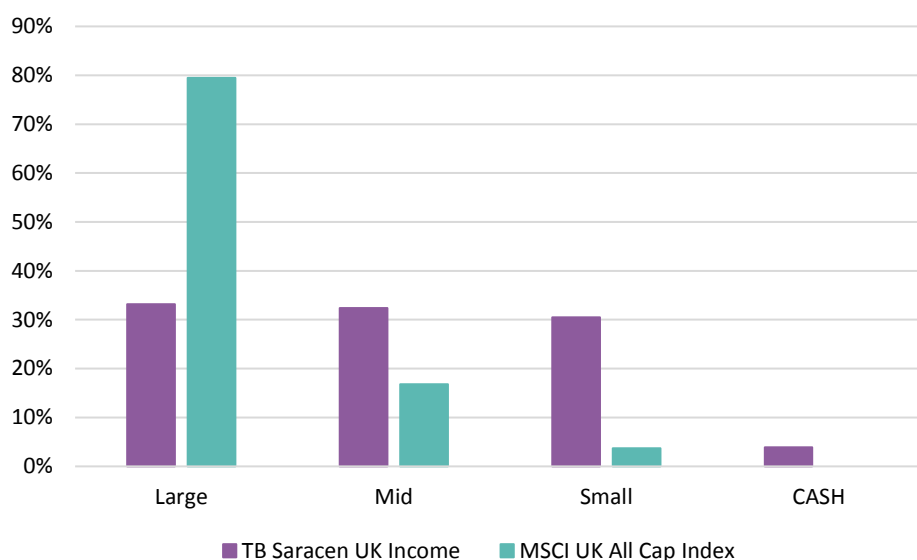


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September 2018



## Fund Breakdown by Market Capitalisation



Data as of 28<sup>th</sup> September 2018, Source: Saracen Fund Managers

## Monthly Commentary

### Performance

Despite a promising start the Fund had a lacklustre month overall, falling by 0.2% against a rise in the MSCI UK All Cap index of 0.8%. In a reversal of the August trend, the midcap index was down, smallcaps generally flat and largecaps up, all of which proved to be headwinds for the Fund.

### Positives

There was a tentative takeover approach for RPC which saw the shares bounce 11%. We await further developments imminently. Vitec continued their run of good figures and sensible acquisitions and also rose by 11%. Wood Group benefitted from a more positive outlook in the oil sector as well as ongoing cost cutting, and this saw the shares rise by 7%. There was some relief that results from Galliford Try were solid and the shares recovered further.

### Negatives

Our low exposure to the oil sector was unhelpful during a month of strong oil prices. Companies producing lacklustre results or weak outlooks were generally punished. WPP suffered from this, as did Low & Bonar, which had another profit warning and fell 21%. Thankfully it was a modest position but unwelcome nonetheless. TI Fluid, Alpha FMC and discoverIE all suffered from profit taking after seeing good share price performance over the summer.

### Portfolio Activity

The holding in Low & Bonar was sold after the profit warning as we think the dividend will now be cut or passed. Some profit was also taken in Galliford Try after a recovery in recent months. We added to a number of holdings after price weakness. In resources, both Wood Group and Rio Tinto were bought and in financials, Aviva and Palace Capital were added to. We completed the purchase of TI Fluid Systems after a stock placing and also bought more STV. The Fund holds 4% in cash.

## September – Attribution \*

Top Contributors	Positive
Vitec	+0.36%
Wood Group	+0.29%
RPC	+0.28%
Galliford Try	+0.24%
Gateley	+0.14%
Top Detractors	Negative
TI Fluid Systems	-0.39%
WPP	-0.27%
Alpha FMC	-0.24%
discoverIE	-0.18%
Low & Bonar	-0.15%

\*Source: Bloomberg as at 28/9/18

## Fund Breakdown

Top 10 Holdings	
Standard Life Aberdeen	4.5%
Alpha FMC	4.4%
Imperial Brands	4.3%
Lloyds Banking	4.1%
Aviva	4.0%
Wood Group	4.0%
Rio Tinto	3.8%
Galliford Try	3.6%
Palace Capital	3.6%
Vitec	3.5%

Sector breakdown	
Financials	27.0%
Industrials	23.4%
Consumer Services	16.0%
Consumer Goods	13.1%
Oil & Gas	6.2%
Basic Materials	5.9%
Healthcare	2.9%
Telecoms	1.2%
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:

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 – 28<sup>th</sup> September 2018**