

# TB Saracen UK Alpha Fund

October 2018

**SARACEN**  
share success

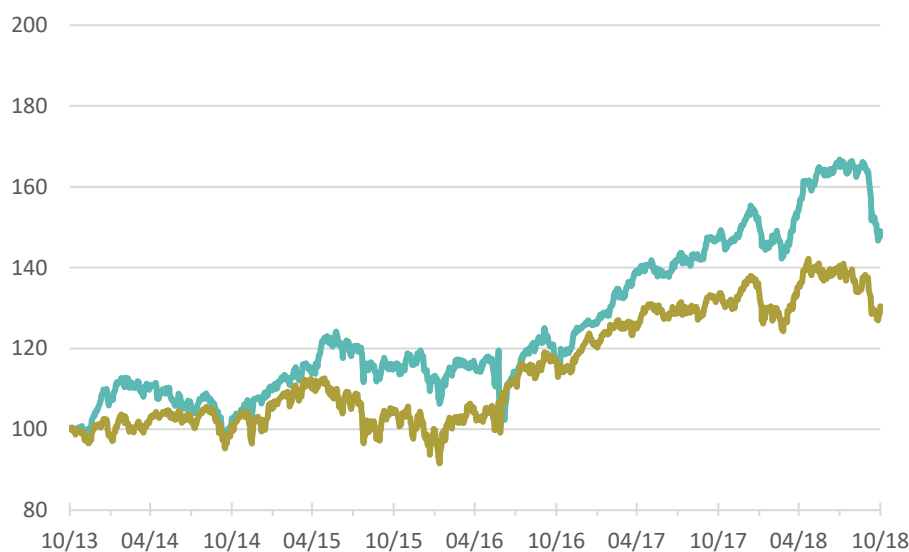
## Fund Overview

- 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 31<sup>st</sup> October 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 31 October 2018

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Alpha B Acc</b>	-9.3%	-10.6%	1.3%	29.4%	49.1%	642.9%
<b>MSCI UK All Cap Index (TR)</b>	-5.3%	-7.2%	-1.5%	25.5%	29.0%	
<b>Sector Average</b>	-6.7%	-8.4%	-3.7%	20.2%	28.9%	166.4%
<b>Quartile Ranking</b>	4	4	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 31<sup>st</sup> October 2018)

**Fund size:** £10.4m  
**Launch date:** 05/03/99

**No. of holdings:** 31  
**Active share:** 94%  
*Source: Bloomberg*

**Denomination:** GBP

**Valuation point:** 12 noon

### Fund prices:

**A Accumulation: 457.72p**  
**B Accumulation: 742.92p**

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.

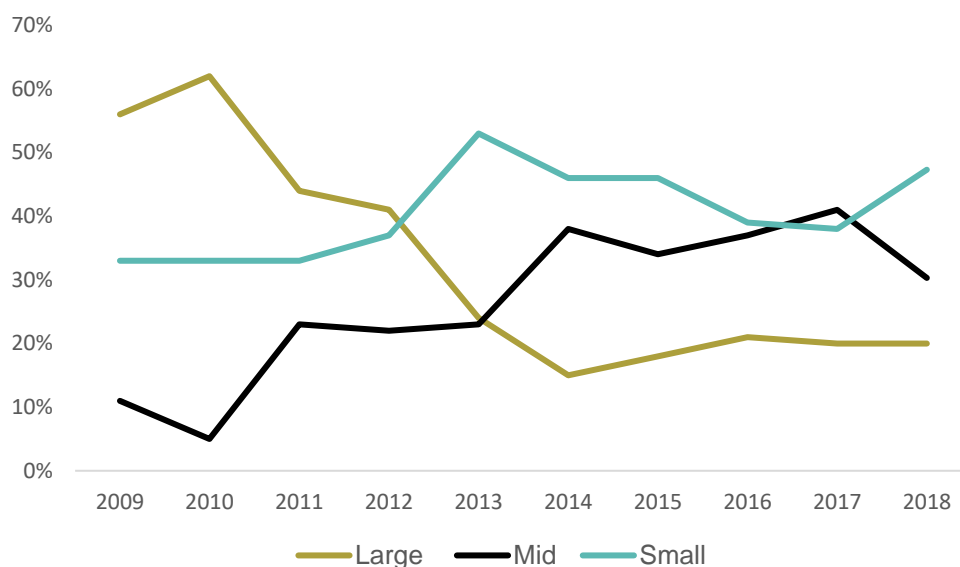


# TB Saracen UK Alpha Fund

October 2018

**SARACEN**  
share success

## Fund Breakdown by Market Capitalisation



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

## Monthly Commentary

### Performance

In a very weak month for markets, the Fund had a poor result, falling by 9.3% against a decline in the MSCI UK All Cap index of 5.3%. It was something of a perfect storm with our large exposure to mid and smallcap plus high weightings to industrial and financial stocks all taking their toll in a falling market. By contrast, largecap and more defensive sectors held up relatively well, and the Fund had limited exposure to such themes, resulting in a very difficult month overall.

### Positives

In such trying circumstances our victories were both rare and small. The retailer Dunelm actually rose by 9% despite the woes of its sector. Our largest holding, Shire, was broadly flat, supported by its proposed merger with Takeda. The new holding in Kin and Carta made a positive initial impact whilst IFG Group made modest progress from a low base as did Palace Capital, a small property business.

### Negatives

The holding in Victoria was highly damaging, falling 45% in the last few days of the month in response to weaker trading and a proposed bond issue, both of which were badly communicated. Another major culprit was Superdry which delivered a damaging profit warning and fell 24%. Many of our other fallers were smaller stocks which were impacted by significant profit taking – these included Alpha FMC, Tyman, Marlowe and Premier - whilst some of our more cyclical holdings such as TI Fluid Systems, Synthomer and Galliford Try endured a tough time in a market bereft of confidence.

### Portfolio Activity

A new holding was bought in Kin & Carta, a small digital marketing business which has been restructured recently. The other main activity was to invest some of the cash balance by adding to a number of existing holdings which had become oversold. These included Alpha FMC, Synthomer and TI Fluid Systems. We also continued to add to the financial sectors with Premier Asset Managers, Standard Life Aberdeen and Prudential all now meaningful positions. We currently hold 2% in cash.

## October – Attribution \*

Top Contributors	Positive
Dunelm	+0.31%
Palace Capital	+0.17%
IFG Group	+0.15%
Kin & Carta	+0.12%
Shire	+0.07%
Top Detractors	Negative
Victoria	-1.44%
Alpha FMC	-0.94%
Tyman	-0.91%
Superdry	-0.72%
Premier Asset Mgrs	-0.48%

\*Source: Bloomberg as at 31/10/18

## Fund Breakdown

Top 10 Holdings	
Shire	6.3%
Wood Group	4.7%
Prudential	4.7%
Alpha FMC	4.6%
Standard Life Aberdeen	4.6%
Rio Tinto	4.5%
Palace Capital	4.3%
MJ Gleeson	4.3%
RPC Group	4.2%
Tyman	4.0%

Sector breakdown	
Industrials	31.3%
Financials	21.6%
Consumer Goods	17.2%
Consumer Services	7.6%
Basic Materials	7.4%
Healthcare	6.3%
Oil & Gas	4.6%
Telecoms	1.9%
Technology	0.0%
Utilities	0.0%

	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.

**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.tbaileyfs.co.uk](http://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](http://www.saracenfundmanagers.com). Saracen Fund Managers Limited is authorised and regulated by the Financial Conduct Authority. Registered in Scotland No. 180545.

Issued by Saracen Fund Managers Limited. Please note that Saracen Fund Managers Limited do not provide financial advice. If you have any doubt whether the TB Saracen UK Alpha Fund is suitable for you and you wish to receive advice you should contact your Financial Adviser.

### Regulatory Status:

FCA Recognised: Yes  
Scheme Type: OEIC (UCITS)

**Issue date – 31<sup>st</sup> October 2018**