

TB Saracen UK Income Fund

October 2018

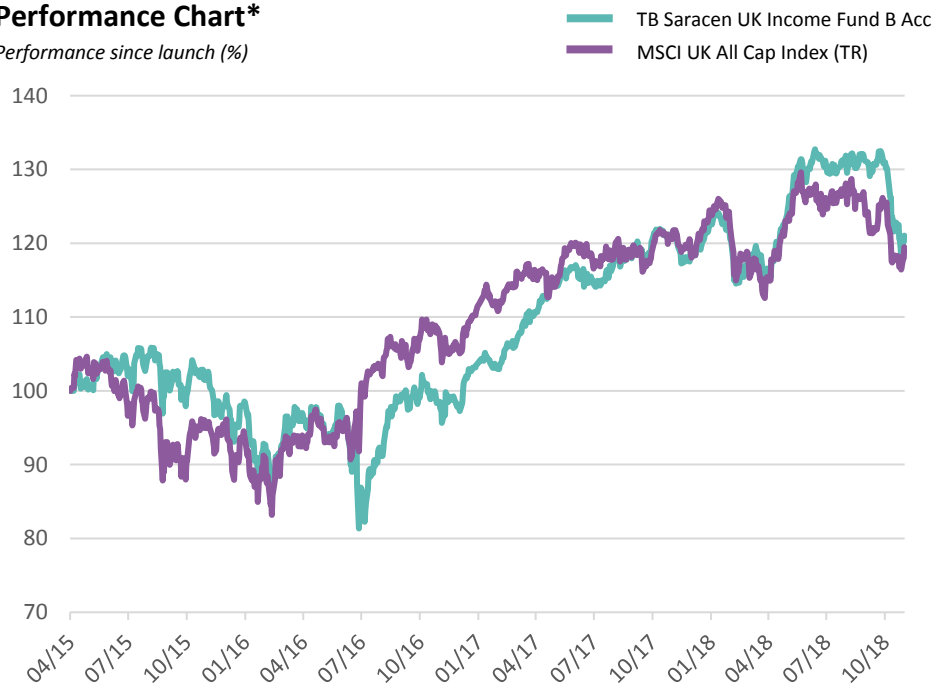
SARACEN
share success

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 31st October 2018 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	Since launch*
TB Saracen UK Income B Acc	-7.5%	-8.2%	0.0%	19.1%	21.0%
MSCI UK All Cap Index (TR)	-5.3%	-7.2%	-1.5%	25.5%	21.0%
Sector Average	-5.4%	-7.2%	-3.6%	15.9%	15.3%
Quartile Ranking	4	3	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 31st October 2018)

Fund size: £3.3m
Launch date: 01/04/15

Forecast yield: 5.3%

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: 121.03p
B Distribution: 103.74p

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.

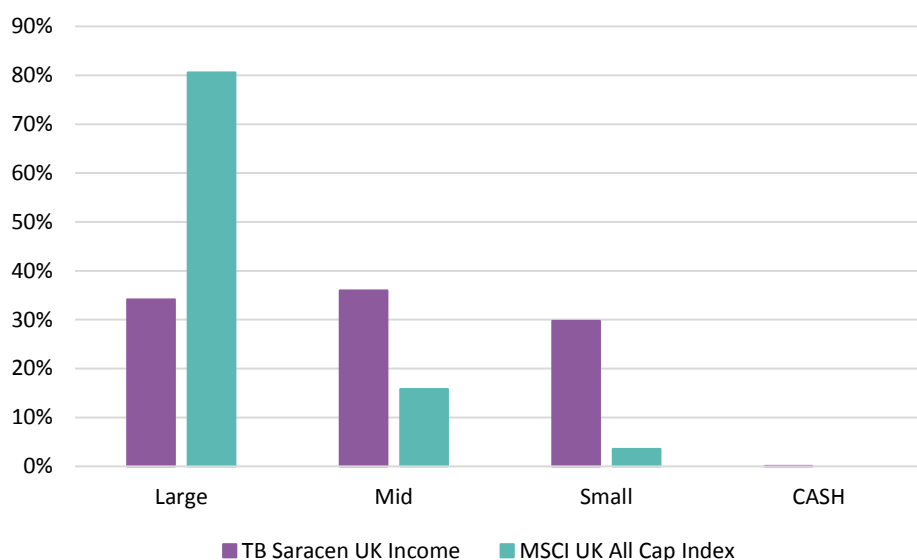


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Fund Breakdown by Market Capitalisation



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

Monthly Commentary

Performance

In a very weak month for markets, the Fund struggled somewhat, falling by 7.5% 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 financial and industrial 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 disappointing month overall.

Positives

In such trying circumstances there were precious few positives to report. Our smaller property companies, New River and Palace Capital, eked out small gains, supported by their high dividend yields. National Express and Royal Dutch Shell both produced solid figures and rose slightly. Next has been a shining light in a poor retail sector in recent times and has now been sold.

Negatives

Many of the major fallers were smaller stocks impacted by significant profit taking – these included Alpha FMC, Tyman and Vitec - whilst some of our more cyclical holdings such as TI Fluid Systems and Galliford Try endured a tough time also. Financials remain heavily out of favour with Standard Life Aberdeen, Aviva and Jupiter suffering in a market bereft of confidence. Our small purchase of Superdry has not begun well – they subsequently delivered another profit warning.

Portfolio Activity

We reorganised the Fund's exposure to retailers, selling DFS Furniture and Next and buying new holdings in Clipper Logistics and Superdry. We took some profit in Vitec and Astra Zeneca both of which have performed strongly. Further to this, we invested the remaining cash balance by adding to a number of existing holdings which had become oversold. These included Alpha FMC, Gateley and TI Fluid Systems. We also continued to add to financials which have remained weak, in particular Standard Life Aberdeen and Aviva. The Fund is now fully invested.

October – Attribution *

Top Contributors	Positive
Palace Capital	+0.15%
Royal Dutch Shell	+0.07%
National Express	+0.06%
NewRiver REIT	+0.02%
Next	+0.02%
Top Detractors	Negative
Alpha FMC	-0.84%
Tyman	-0.64%
Standard Life Aberdeen	-0.47%
Galliford Try	-0.46%
TI Fluid Systems	-0.45%

*Source: Bloomberg as at 31/10/18

Fund Breakdown

Top 10 Holdings	
Imperial Brands	5.2%
Lloyds Banking	4.9%
Aviva	4.8%
Standard Life Aberdeen	4.8%
Alpha FMC	4.3%
Wood Group	4.1%
Rio Tinto	4.0%
Palace Capital	3.8%
Gateley	3.8%
Galliford Try	3.3%

Sector breakdown	
Financials	30.5%
Industrials	23.3%
Consumer Goods	15.4%
Consumer Services	13.0%
Oil & Gas	7.0%
Basic Materials	6.8%
Healthcare	2.6%
Telecoms	1.2%
Technology	0.0%
Utilities	0.0%

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual Charge	Ongoing** Charge
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

(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. 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 October 2018