

# TB Saracen UK Alpha Fund

November 2018

**SARACEN**  
share success

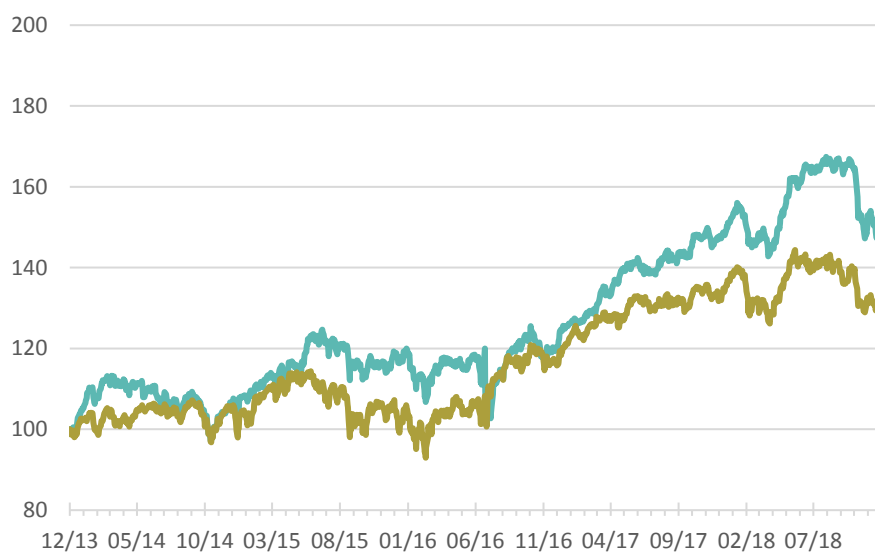
## Fund Overview

- 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 30<sup>th</sup> November 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 30 November 2018

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Alpha B Acc</b>	-2.5%	-12.0%	-1.1%	23.1%	45.5%	624.5%
<b>MSCI UK All Cap Index (TR)</b>	-1.9%	-6.3%	-1.6%	22.6%	27.5%	
<b>Sector Average</b>	-1.6%	-8.7%	-4.2%	17.2%	27.0%	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 30<sup>th</sup> November 2018)

**Fund size:** £10.3m  
**Launch date:** 05/03/99

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

**Denomination:** GBP

**Valuation point:** 12 noon

### Fund prices:

**A Accumulation: 446.09p**  
**B Accumulation: 724.48p**

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.

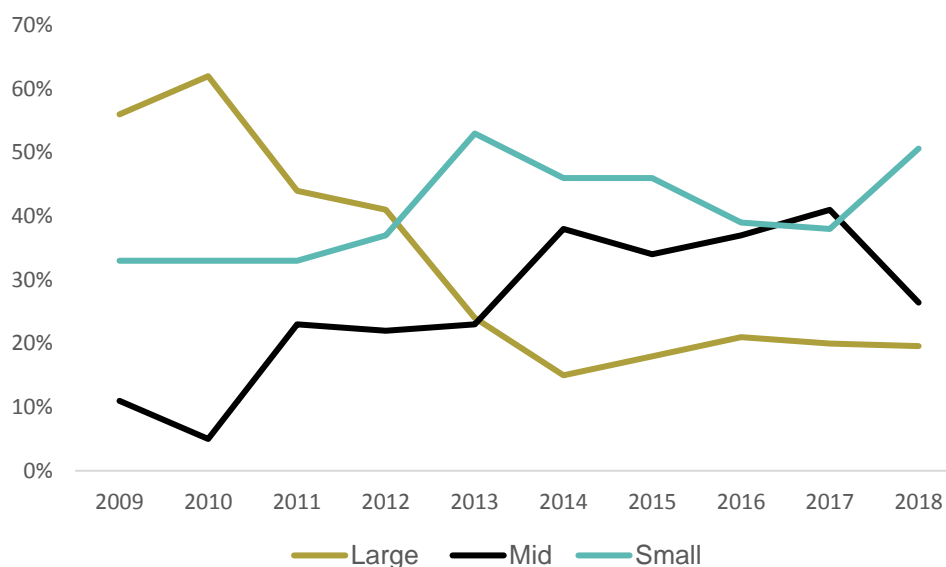


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## Fund Breakdown by Market Capitalisation



Data as of 30<sup>th</sup> November 2018, Source: Saracen Fund Managers

## Monthly Commentary

### Performance

The Fund continued to struggle in November, falling by 2.5% against a decline in the MSCI UK All Cap index of 1.9%. The ongoing Brexit saga is taking its toll on many of our mid and smallcap investments with our high weightings in industrial and financial stocks also detracting from returns. The Fund has limited exposure to largecap and more defensive sectors and these areas held up relatively well.

### Positives

A number of this month's positives were recoveries in businesses which had fallen sharply during October. Victoria regained some lost ground having released its results whilst Alpha FMC again delivered earnings upgrades. Hill and Smith continued to rally from the lows and Avon Rubber delivered another positive year of progress. Kin and Carta rose another 12% and even TalkTalk managed to go up on results. Clipper Logistics increased 15% from a depressed level.

### Negatives

The holding in Wood Group suffered from weak oil markets and fell 11%. Galliford and Palace Capital suffered as UK domestic sectors continue to be impacted by Brexit concerns. Unlike many real estate businesses, Palace continues to grow its asset value per share. Premier fell for the second month in response to falling markets and slower fund inflows whilst Restore continued to be de-rated despite solid results. Cyclical stocks were weak across the board with Rio Tinto, TI Fluid Systems and Synthomer all drifting further during the month. RPC slipped as takeover hopes began to fade.

### Portfolio Activity

A new holding was purchased in DiscoverIE, a small electronic components business which we believe has good growth prospects and a clear expansion strategy. We added to Greencore on news of their US disposal and also bought more Premier Asset Management after weakness in financial markets. We sold the remaining holding in Hill & Smith which had seen some recovery after their profit warning in August. The Fund currently holds 3% in cash.

## November – Attribution \*

Top Contributors	Positive
Victoria	+0.45%
Alpha FMC	+0.41%
Clipper Logistics	+0.28%
Hill & Smith	+0.24%
Avon Rubber	+0.19%
Top Detractors	Negative
Wood Group	-0.48%
Galliford Try	-0.40%
Premier Asset Mgrs	-0.39%
Restore	-0.36%
Palace Capital	-0.26%

\*Source: Bloomberg as at 30/11/18

## Fund Breakdown

Top 10 Holdings	
Shire	6.1%
Alpha FMC	5.1%
Prudential	4.6%
Standard Life Aberdeen	4.5%
Rio Tinto	4.3%
Palace Capital	4.3%
Wood Group	4.2%
MJ Gleeson	4.2%
RPC Group	4.0%
STV Group	3.6%

Sector breakdown	
Industrials	32.6%
Financials	21.1%
Consumer Goods	17.2%
Basic Materials	7.0%
Consumer Services	6.4%
Healthcare	6.2%
Oil & Gas	4.2%
Telecoms	2.0%
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.

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### Regulatory Status:

FCA Recognised: Yes  
Scheme Type: OEIC (UCITS)

Issue date – 30<sup>th</sup> November 2018