

TB Saracen UK Income Fund

December 2018

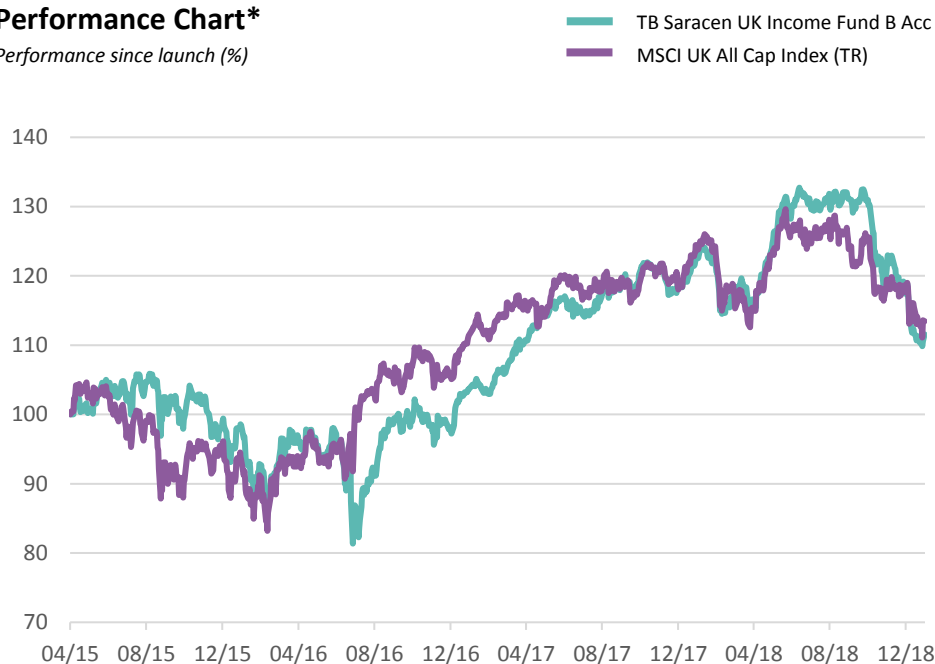
SARACEN
share success

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 December 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 December 2018

	1 month	3 months	1 year	3 years	Since launch*
TB Saracen UK Income B Acc	-5.0%	-14.7%	-8.9%	13.4%	11.6%
MSCI UK All Cap Index (TR)	-3.9%	-10.6%	-9.8%	19.7%	14.2%
Sector Average	-4.4%	-10.9%	-10.5%	8.4%	8.7%
Quartile Ranking	4	4	2	1	2

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 December 2018)

Fund size: £3m
Launch date: 01/04/15

Portfolio yield: 5.6%

No. of holdings: 32
Active share: 88%

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: 111.57p
B Distribution: 95.60p

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.

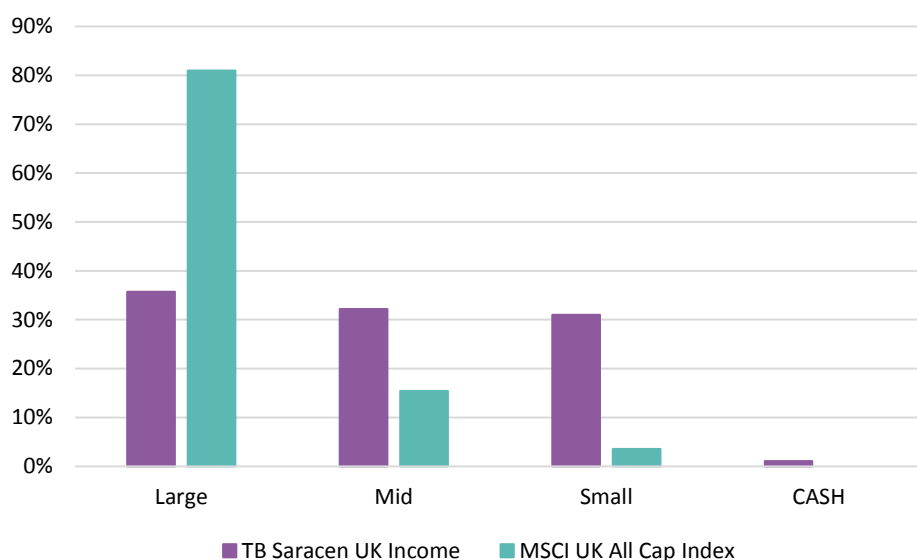


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Fund Breakdown by Market Capitalisation



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

Monthly Commentary

Performance

It was a poor end to 2018 with the Fund falling by 5% in December against a decline in the MSCI UK All Cap index of 3.9%. The Brexit saga continues to take its toll on many of our mid and smallcap investments with our high weightings in consumer and industrial stocks particularly badly impacted. The Fund fell by 8.9% during 2018 which was slightly better than the main UK index. However, this was a very disappointing outcome given the positive returns we had enjoyed up until September.

Positives

In such a weak market, the winners were few and far between. Two of our smaller companies, Palace Capital and discoverIE produced pleasing results and managed to rise in value whilst our mining stocks, Rio Tinto and BHP Billiton, benefitted from low UK exposure and solid metals pricing.

Negatives

Anything that was consumer exposed or deemed to be cyclical was hammered. Tyman and TI Fluid fell sharply as did many industrial businesses. There was another dismal warning from Superdry and Clipper Logistics was also caught in the retail sector crossfire, with the Asos profit warning having an impact. The holding in Wood Group suffered again from weak oil markets despite a solid update whilst Galliford had a big downward lurch, not helped by a sudden, poorly supported rights issue from another contractor, Kier Group. Gateley fell 8% despite a positive profit 'warning'.

Portfolio Activity

We completed the sale of Astra Zeneca which had delivered strong returns in recent years. No new investments were made. We added to a number of holdings where valuations now look extreme – these included Tyman, Gateley, Wood Group and Clipper. The Fund remains fully invested and has proposed a full year dividend of 5.24p per distribution share, a rise of 9% over 2017. This equates to a yield of 5.5% at current unit prices, which remains well above that available from the UK index.

December – Attribution *

Top Contributors	Positive
Palace Capital	+0.36%
discoverIE	+0.20%
BHP Billiton	+0.14%
Rio Tinto	+0.10%
Alpha FMC	+0.10%
Top Detractors	Negative
Wood Group	-0.73%
Superdry	-0.64%
Clipper Logistics	-0.42%
TI Fluid Systems	-0.39%
Galliford Try	-0.38%

*Source: Bloomberg as at 31/12/18

Fund Breakdown

Top 10 Holdings	
Alpha FMC	5.1%
Imperial Brands	5.0%
Standard Life Aberdeen	4.9%
Lloyds Banking	4.7%
Aviva	4.6%
Palace Capital	4.4%
Rio Tinto	4.3%
Gateley	3.7%
Greene King	3.6%
Wood Group	3.6%

Sector breakdown	
Financials	30.7%
Industrials	23.7%
Consumer Goods	15.8%
Consumer Services	13.6%
Basic Materials	7.5%
Oil & Gas	6.5%
Healthcare	0.0%
Telecoms	0.0%
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:

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.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. 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 December 2018