

# TB Saracen UK Income Fund

February 2019

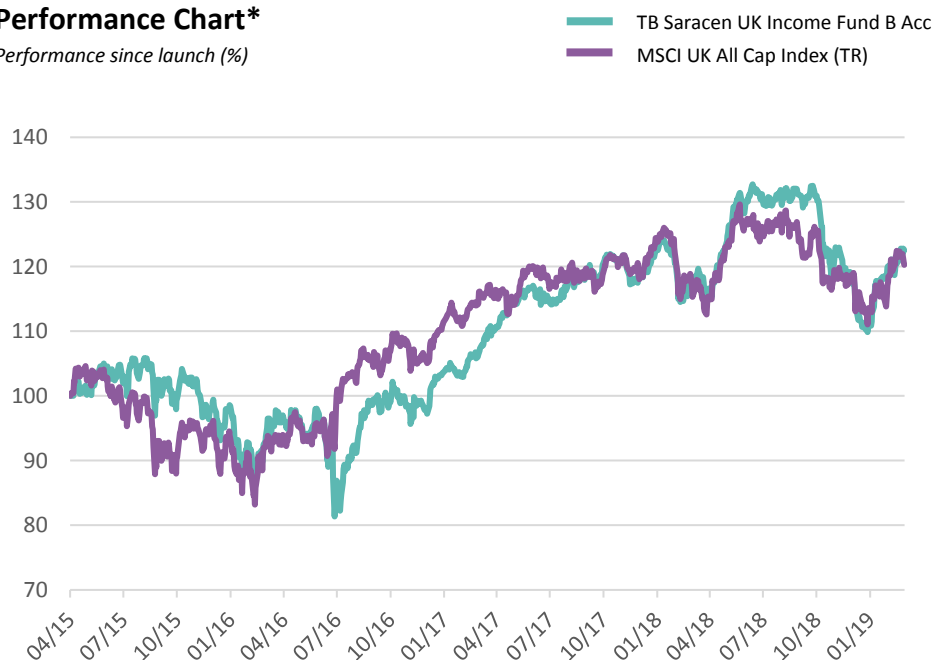
**SARACEN**  
share success

## 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> February 2019

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 February 2019

	1 month	3 months	1 year	3 years	Since launch*
<b>TB Saracen UK Income B Acc</b>	2.0%	4.3%	4.9%	31.8%	22.5%
<b>MSCI UK All Cap Index (TR)</b>	2.3%	2.6%	1.4%	30.4%	21.8%
<b>Sector Average</b>	1.7%	2.1%	-0.7%	19.6%	16.0%
<b>Quartile Ranking</b>	2	1	1	1	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> February 2019)

**Fund size:** £3m  
**Launch date:** 01/04/15

**Portfolio yield:** 5.1%

**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:** 122.49p  
**B Distribution:** 101.81p

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.

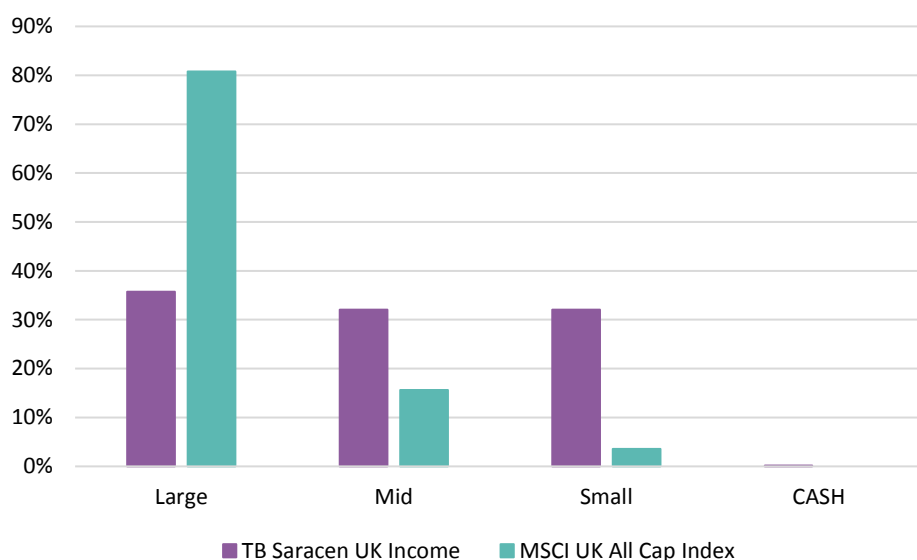


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## Fund Breakdown by Market Capitalisation



Data as of 28<sup>th</sup> February 2019. Source: Saracen Fund Managers

## Monthly Commentary

### Performance

The Fund lagged slightly in February, rising by 2.0% against a rise in the MSCI UK All Cap index of 2.3%. Our high exposure to smallcap stocks was something of a headwind during a month when larger companies did better. Despite this, the Fund has enjoyed a positive start to 2019, outperforming both the index and the average peer group fund.

### Positives

A number of our more UK-centric stocks continued their recovery including Greene King, Clipper Logistics and STV Group. Financials were also a positive feature with Lloyds and Phoenix both rising by 10%, with the former delivering solid results and an increased dividend. Our largest holding, Alpha FMC, continues to make good progress and rose 6%. After prolonged weakness, both Synthomer and Galliford Try showed some signs of life whilst National Express continued its long run of solid performance, rising by 8%.

### Negatives

Thankfully there were no real concerns to report across the portfolio. Legal firm Gateley saw some profit taking with a stock placing seeing the shares give up some recent gains. Wood Group, WPP and Standard Life Aberdeen continue to drag their feet ahead of each company reporting results in March and all three shares fell slightly over the month.

### Portfolio Activity

We made some minor portfolio changes during February, taking some profits in our large positions in Gateley and Greene King after strong performance and adding to the holdings in Kin & Carta and Tyman, both of which have lagged of late. The Fund remains fully invested and continues to offer a dividend yield greater than that available from the main UK market.

## February – Attribution \*

Top Contributors	Positive
Greene King	+0.41%
Alpha FMC	+0.33%
Lloyds Banking	+0.31%
Phoenix Group	+0.27%
National Express	+0.22%
Top Detractors	Negative
Gateley	-0.16%
Wood Group	-0.14%
WPP	-0.09%
Standard Life Aberdeen	-0.09%
discoverIE	-0.08%

\*Source: Bloomberg as at 28/2/19

## Fund Breakdown

Top 10 Holdings	
Lloyds Banking	5.4%
Alpha FMC	5.4%
Imperial Brands	4.9%
Aviva	4.8%
Rio Tinto	4.7%
Standard Life Aberdeen	4.4%
Gateley	3.9%
Palace Capital	3.9%
Tyman	3.7%
Wood Group	3.5%

Sector breakdown	
Financials	31.4%
Industrials	20.6%
Consumer Goods	16.3%
Consumer Services	14.8%
Basic Materials	10.8%
Oil & Gas	6.2%
Healthcare	0.0%
Telecoms	0.0%
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%	1.36%
B Dis Shares	GB00BW9H1L31	BW9H1L3	BBG008D4LJF8	SARUKIFDIS33	0%	0.50%	1.36%

\*\* 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.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 – 28<sup>th</sup> February 2019**