

# TB Saracen Global Income and Growth Fund

March 2019

SARACEN  
share success

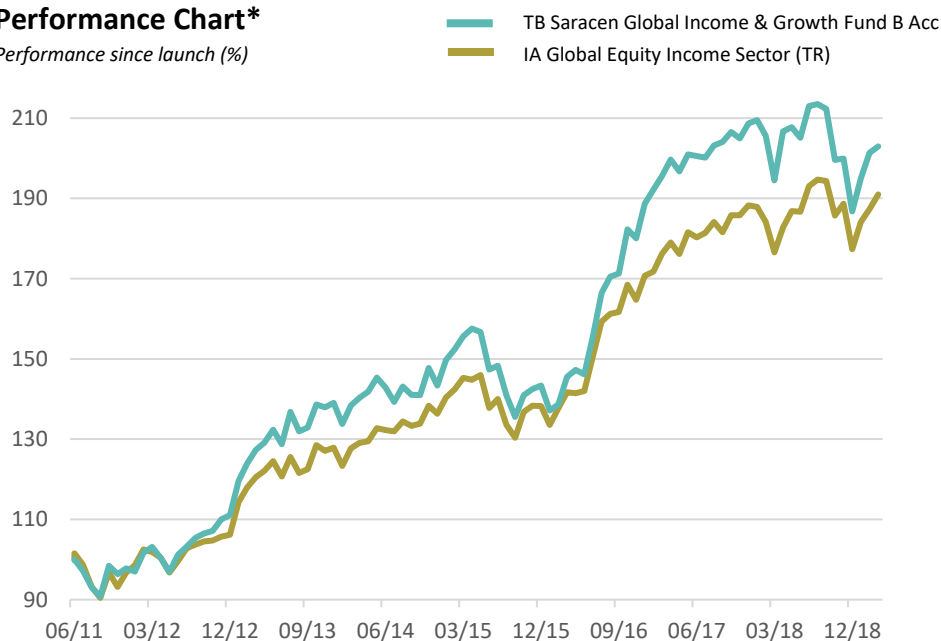


## Fund Overview

- Objective: to provide a degree of income to investors with the aim of building capital through investing in a portfolio of primarily global equities.
- Focus: on identifying leading global businesses with lower risk and share valuations that underestimate their prospects.
- Research: we conduct intensive proprietary research focusing on businesses' long-term earnings potential.
- Risk: we model a 'worst-case' scenario into our share valuation methodology and abide by strict sector limits.
- Process: Disciplined, structured and repeatable.
- Conviction Portfolio: high active share and highly differentiated.
- Both fund managers have significant personal investments in the fund.

## Performance Chart\*

Performance since launch (%)



\*Source: Financial Express, as at 29<sup>th</sup> March 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 ongoing charges to 29 March 2019

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB SGIG B Acc</b>	+0.8%	+8.7%	+4.3%	+39.5%	+44.7%	+103.5%
<b>Sector Average</b>	+2.2%	+8.0%	+8.5%	+34.2%	+48.3%	+91.6%
<b>Quartile Ranking</b>	4	2	4	1	3	2

Source: Financial Express; \*launch date 07 June 2011

Source: IA Sector (Global Equity Income)

## FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

### FUND DETAILS

(as at 29<sup>th</sup> March 2019)

**Fund size:** £119m  
**Launch date:** 07/06/11  
**Historic yield:** 3.4%

**No. of holdings:** 41  
**Active share:** 93%  
**Beta:** 0.94

Source: Bloomberg as at 29/03/19

**Turnover:** <20%  
**Denomination:** GBP  
**Valuation point:** 12:00 noon

**XD date:** 2 Jan  
 1 July

**Pay date:** 28/29 Feb  
 31 Aug

**Fund prices:**  
**B Accumulation:** 202.98p  
**B Distribution:** 161.71p

Policy is not to charge a dilution levy except in exceptional circumstances.

**ACD:**  
**T. Bailey Fund Services Limited**

**Graham Campbell**  
 Chief Executive Officer

**David Keir**  
 Executive Director



**Graham Campbell** joined Saracen in 2011 from Edinburgh Partners, where he was one of the founding partners and director. He has managed the Fund since launch. Graham has over 30 years of industry experience.

**David Keir** joined Saracen in 2013 and has managed the Fund since 2014. He has over 18 years of industry experience.



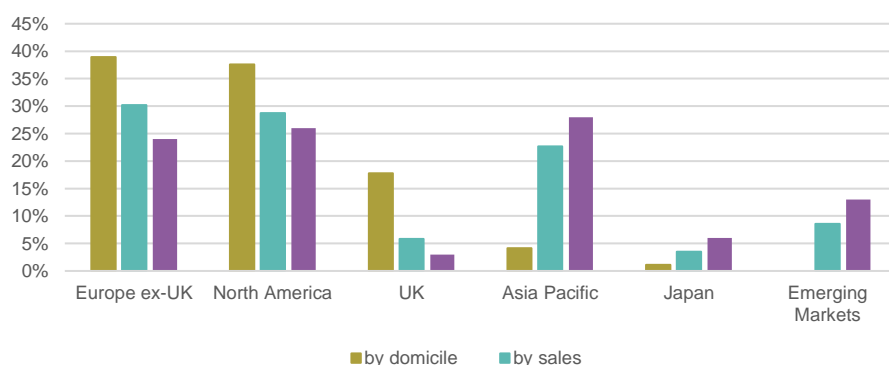
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## Fund Breakdown by Geography



Data as of 29<sup>th</sup> March 2019, Source: Bloomberg/Saracen Fund Managers

## Monthly Commentary

### Performance

This month, the total return for TB SGIG was +0.8%, compared to +2.2% for the IA Global Equity Income sector. It was pleasing to see the market continue to recover from its 2018 Q4 lows but the collapse in bond yields had a significant impact on sector performance. Bond proxy sectors like consumer staples performed very strongly whilst more cyclical sectors such as financials underperformed. This proved to be a headwind to performance during the month. The fund has delivered a total return of 104% and is ranked second quartile since launch.

### FX

Currency movements during March had a positive impact on the fund's absolute performance. Sterling was down 1.3% and 1.5% against the CHF and USD respectively, but was up 0.2% against the EUR.

### Positives

Imperial Brands (+5%) released a pre-close update which highlighted the better than expected growth from its new vaping products and guided to revenue growth being at or above its current guidance of +1% to +4%. We still find the current PE rating of 9X and yield of 8% to be anomalous. Anta Sports (+18%) completed the acquisition of Amer Sports and held a re-assuring conference call with investors. The Healthcare sector benefitted from the more defensive tone to the market. Our holdings in J&J (+4%), Merck (+4%) and Novo Nordisk (+7%) all had a good month. BP (+5%) and Chevron (+4%) both benefitted from a stronger oil price.

### Negatives

Carnival Corp. (-11%) had a poor month despite reporting better than expected Q1 results. The market chose to focus on the soft Q2 outlook and the full-year guidance cut which was due to the higher oil price and unfavourable FX movements. We viewed the operational performance as solid and find the shares current PE rating of 10X and yield of over 4% as attractive. BMW (-7%) announced a surprise dividend cut and cautious guidance for 2019. The muted share price reaction tells us that there is already a lot of bad news in the share price.

### Portfolio Activity

We bought Asahi Group during the month. We funded this by taking profits in Anta Sports, Cisco, Intel, Mondelez and Rio Tinto.

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual Charge	Ongoing ** Charge
B Acc Shares	GB00B5B35X02	B5B35X0	SARBACC LN	SARGGIFA	0%	0.75%	0.99%
B Dis Shares	GB00B3XPLG55	B3XPLG5	SARGIGA LN	SARGGIFD	0%	0.75%	0.99%

\*\* Source: T Bailey Fund Services Ltd

## March – Attribution \*

Top Contributors	Positive
Anta Sports	+0.27%
Imperial Brands	+0.17%
Mondelez	+0.16%
Merck	+0.13%
Schneider	+0.13%
Top Detractors	Negative
Carnival Corp	-0.21%
Interpublic Group	-0.19%
ProSieben	-0.12%
BMW	-0.12%
Pandora	-0.10%

\*Source: Bloomberg as at 29/03/19

## Fund Breakdown

Top 10 Holdings	
Roche	4.5%
Heidelberg Cement	3.8%
Saint Gobain	3.7%
IBM	3.7%
HSBC	3.6%
Johnson Matthey	3.5%
Evonik	3.5%
Schneider	3.4%
Svenska Handelsbanken	3.3%
Merck	3.3%

Sector breakdown	
Financials	19.4%
Industrials	16.6%
Healthcare	16.3%
Basic Materials	12.3%
Technology	11.2%
Consumer Goods	8.6%
Oil & Gas	7.7%
Consumer Services	7.5%
Utilities	0.0%
Cash	0.4%

**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 – 29<sup>th</sup> March 2019**