

# TB Saracen UK Alpha Fund

June 2019

**SARACEN**  
share success

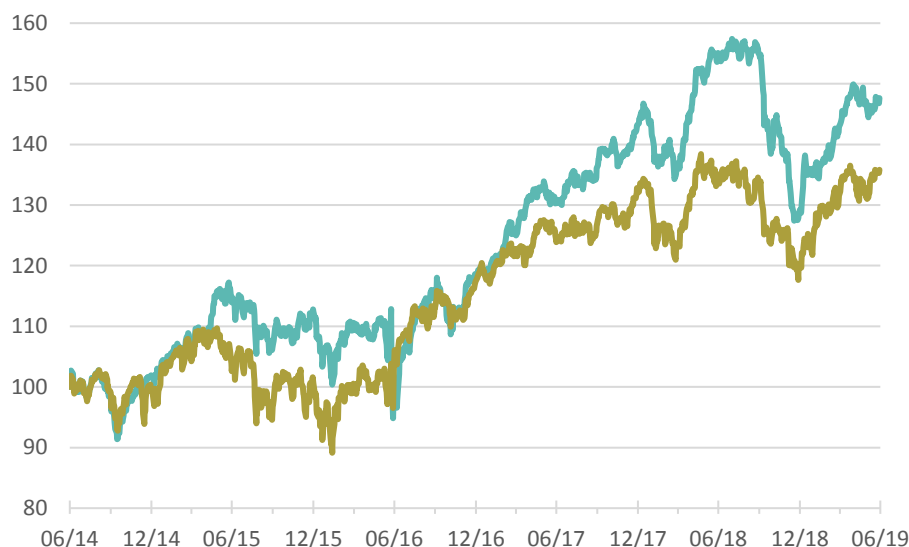
## Fund Overview

- 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.
- The Fund recently celebrated its 20<sup>th</sup> anniversary and, since launch in March 1999, has outperformed its benchmark in 16 out of 20 years and in 8 out of the last 10 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 28<sup>th</sup> June 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<sup>th</sup> June 2019

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Alpha B Acc</b>	1.3%	3.3%	-4.8%	47.4%	47.6%	679.4%
<b>MSCI UK All Cap Index (TR)</b>	3.5%	3.1%	0.3%	29.0%	34.3%	
<b>Sector Average</b>	2.4%	3.6%	-2.3%	30.6%	34.0%	182.3%
<b>Quartile Ranking</b>	4	3	4	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 28<sup>th</sup> June 2019)

**Fund size:** £11.4m  
**Launch date:** 05/03/99

**No. of holdings:** 33  
**Active share:** 93%  
*Source: Bloomberg*

**Denomination:** GBP

**Valuation point:** 12 noon

### Fund prices:

**A Accumulation: 477.82p**  
**B Accumulation: 779.36p**

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.

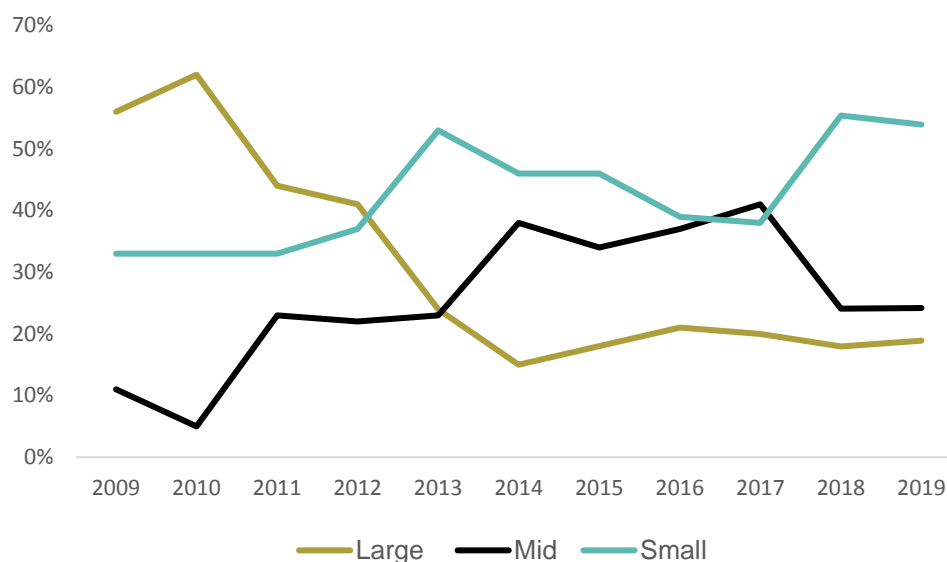


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## Fund Breakdown by Market Capitalisation



Data as of 28<sup>th</sup> June 2019, Source: Saracen Fund Managers

## Monthly Commentary

### Performance

The Fund had a relatively poor month in June, rising by 1.3% in comparison to an increase in the MSCI UK All Cap index of 3.5%. The key driver of the results was the divergence between the smaller company index which rose by only 0.5%, compared to the FTSE100 index which returned 4.0%. This proved to be a major headwind for the Fund, with over 50% of the portfolio currently held in smaller companies. During the first six months of 2019, the Fund returned 14.2%, slightly ahead of the MSCI UK AllCap index return of 13.1%.

### Positives

Our best performances came from several stocks which had previously lagged. Wood Group rose 16% after an in-line statement whilst Standard Life Aberdeen continued its recovery from a low base, rising by 10%. Solid final results from Palace Capital saw the shares rally 11%. Two more recent purchases have begun to deliver with Chemring rising by 14% after some small disposals and Melrose up 10%.

### Negatives

Our main laggard was the long-standing position in MJ Gleeson, whose shares fell 17% on the news that their CEO had resigned unexpectedly. We topped up our holding in response. Whilst neither had major items of news, STV and Premier Asset Management drifted downwards over the month. U&I continued its downward spiral, falling another 10% as the real estate sector continued to see investor selling. Alpha FMC also saw some modest profit taking over its final results.

### Portfolio Activity

A new holding was purchased in Barclays in June, which is the first bank to be held in the Fund for some time. This was funded by the sale of IFG Group which had received an agreed takeover bid earlier in 2019. We continued to build positions in Equiniti and Melrose whilst adding to U&I Group and Gleeson after significant weakness in both. We took some profit in the large position in Alpha FMC. Cash currently stands at 3%.

## June – Attribution \*

Top Contributors	Positive
Standard Life Aberdeen	+0.40%
Wood Group	+0.40%
Palace Capital	+0.40%
Chemring	+0.29%
Melrose Industries	+0.27%
Top Detractors	Negative
MJ Gleeson	-0.81%
Premier Asset Mgmt	-0.27%
STV Group	-0.17%
U&I Group	-0.15%
Dialight	-0.10%

\*Source: Bloomberg as at 28/6/19

## Fund Breakdown

Top 10 Holdings	
MJ Gleeson	4.8%
Prudential	4.7%
Standard Life Aberdeen	4.6%
Alpha FMC	4.3%
Synthomer	4.1%
Palace Capital	4.0%
Tyman	3.9%
Melrose Industries	3.6%
Restore	3.5%
Galliford Try	3.3%

Sector breakdown	
Industrials	38.7%
Financials	25.5%
Consumer Goods	16.7%
Basic Materials	7.2%
Consumer Services	6.1%
Oil & Gas	3.0%
Telecoms	0.0%
Healthcare	0.0%
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%	1.19%

\* 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:

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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](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> June 2019**