

# TB Saracen UK Income Fund

June 2019

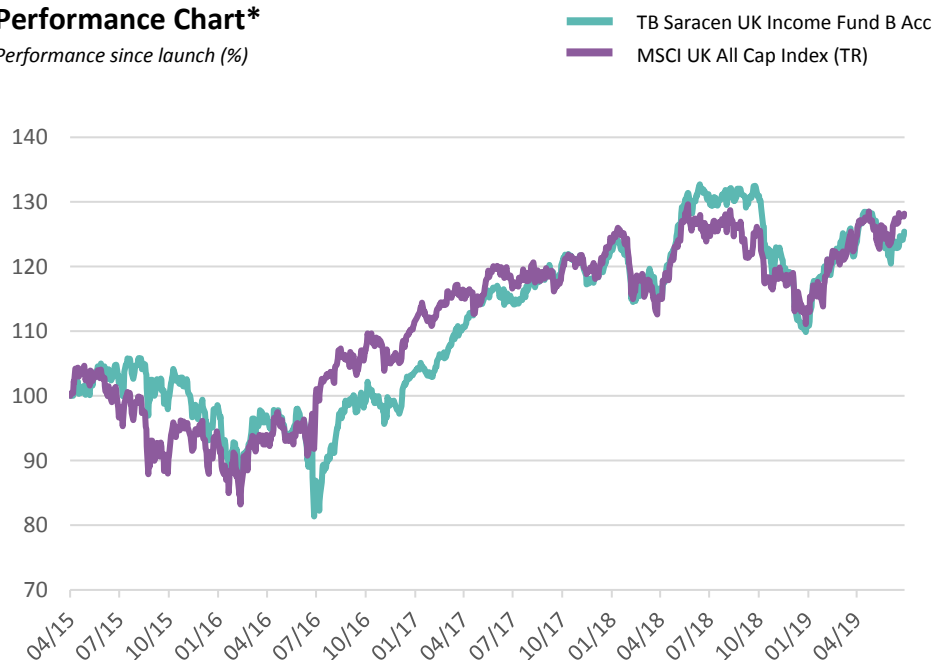
**SARACEN**  
share success

## 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> 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	Since launch*
<b>TB Saracen UK Income B Acc</b>	3.0%	1.8%	-4.4%	44.4%	25.4%
<b>MSCI UK All Cap Index (TR)</b>	3.5%	3.1%	0.3%	29.0%	29.2%
<b>Sector Average</b>	2.5%	1.8%	-2.6%	23.2%	20.3%
<b>Quartile Ranking</b>	3	3	3	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 28<sup>th</sup> June 2019)

**Fund size:** £3.4m  
**Launch date:** 01/04/15

**Historic yield:** 5.0%

**No. of holdings:** 33  
**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:** 125.41p  
**B Distribution:** 104.15p

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.

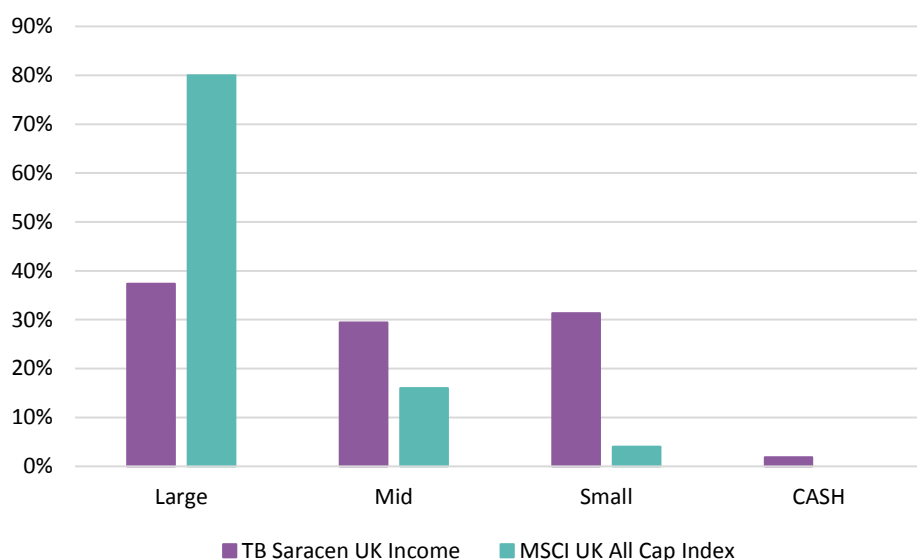


# TB Saracen UK Income Fund

June 2019



## Fund Breakdown by Market Capitalisation



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

## Monthly Commentary

### Performance

The Fund was behind the market in June, rising by 3.0% in comparison to an increase in the MSCI UK All Cap index of 3.5%. The key driver of the results was the ongoing divergence between value and growth styles in markets to the detriment of value investing, where the Fund's process and investments are largely concentrated. The smaller company index also materially lagged the FTSE100 index, which was another headwind for the relative performance of the portfolio.

### Positives

Our best performances came from several stocks which had previously lagged. Wood Group rose 16% after an in-line statement whilst solid final results from Palace Capital saw the shares rally 11%. In asset management, both Jupiter and Standard Life Aberdeen continued their recent recovery rising by 15% and 10% respectively. Our recent purchases of DS Smith have begun to deliver with the shares rising by 15% after good final results which reaffirmed their strategy.

### Negatives

Our main laggard was New River REIT, which continued its downward spiral, falling another 13% as the real estate sector continued to see investor selling. Imperial Brands fell further reflecting its ongoing pariah status whilst STV, Clipper and Greene King all drifted downwards over the month. Alpha FMC also saw some modest profit taking over its final results.

### Portfolio Activity

Activity was limited during June. We added to Imperial Brands after significant recent weakness and believe that the current extremely low valuation is anomalous. Some profit was taken in the large holding in Alpha FMC. The Fund remains fully invested and continues to offer a dividend yield far greater than that available from the main UK market. Our interim dividend to shareholders has been announced at 2.50p per income share, an increase of 4% on the 2018 payment.

## June – Attribution \*

Top Contributors	Positive
DS Smith	+0.47%
Standard Life Aberdeen	+0.47%
Wood Group	+0.39%
Jupiter Fund Management	+0.39%
Palace Capital	+0.39%
Top Detractors	Negative
NewRiver REIT	-0.24%
STV Group	-0.17%
Imperial Brands	-0.14%
Greene King	-0.08%
Alpha FMC	-0.08%

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

## Fund Breakdown

Top 10 Holdings	
Standard Life Aberdeen	5.1%
Lloyds Banking	4.7%
Aviva	4.5%
Imperial Brands	4.4%
Alpha FMC	4.3%
Gateley	3.8%
Palace Capital	3.7%
DS Smith	3.7%
Tyman	3.5%
BHP	3.5%

Sector breakdown	
Financials	30.9%
Industrials	21.9%
Consumer Goods	16.1%
Consumer Services	14.3%
Basic Materials	9.5%
Oil & Gas	5.8%
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%	1.36%
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  
(Phone and email deals will only be accepted on completion of initial account set up and by prior agreement with TBFS)

General Enquiries: 0115 988 8200  
Dealing Line: 0115 988 8274  
E-mail Dealing: [clientservices@tbailey.co.uk](mailto:clientservices@tbailey.co.uk)

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**