

TB Saracen UK Alpha Fund

July 2019

SARACEN
share success

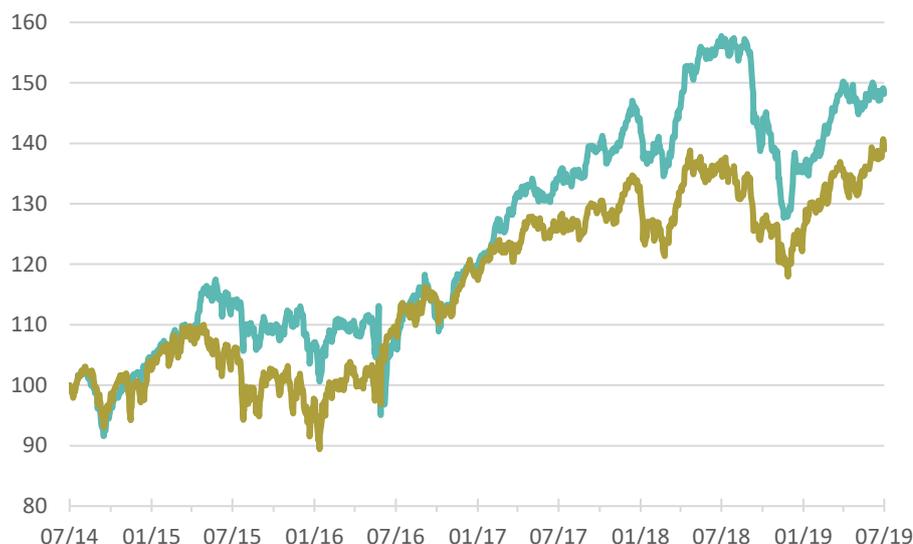
Fund Overview

- 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 20th 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 31st July 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 31st July 2019

	1 month	3 months	1 year	3 years	5 years	Since launch*
TB Saracen UK Alpha B Acc	0.2%	-1.4%	-6.1%	38.2%	48.2%	680.6%
MSCI UK All Cap Index (TR)	1.9%	2.3%	0.9%	26.5%	37.0%	
Sector Average	1.7%	0.9%	-1.2%	24.9%	36.8%	187.4%
Quartile Ranking	4	4	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 31st July 2019)

Fund size: £11.3m
Launch date: 05/03/99

No. of holdings: 31
Active share: 92%
Source: Bloomberg

Denomination: GBP

Valuation point: 12 noon

Fund prices:

A Accumulation: 478.25p
B Accumulation: 780.59p

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.

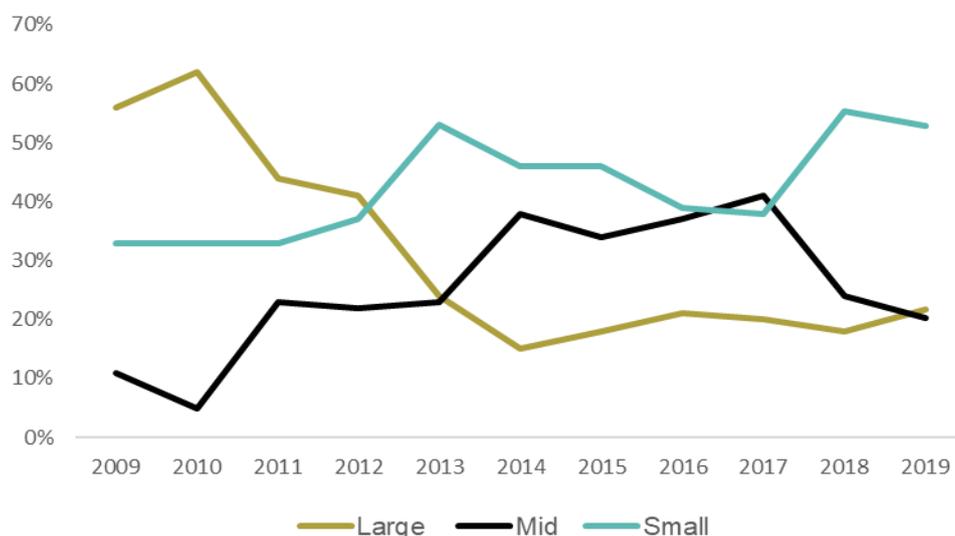


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Fund Breakdown by Market Capitalisation



Data as of 31st July 2019, Source: Saracen Fund Managers

Monthly Commentary

Performance

The Fund had a relatively poor month in July, rising by 0.2% in comparison to an increase in the MSCI UK All Cap index of 1.9%. As it was in June the key driver of the results was the divergence between the smaller company index which fell by 0.2%, compared to the FTSE100 index which rose by 2.2%. This proved to be a major headwind for the Fund, with over 50% of the portfolio currently held in smaller companies. Weaker sterling and fears of a no-deal Brexit intensified post the appointment of the new Prime Minister, which exacerbated the ongoing trend away from small to large.

Positives

We saw a welcome recovery in our largest holding, MJ Gleeson, and the stock rallied by 16%. Wood Group rose another 17%, building on some recovery seen at the end of June whilst Restore also responded well to good results and a new CEO, going up by 8%. Our recent purchases of U&I began to pay off with the stock enjoying early signs of recovery. We hope for much more here.

Negatives

Our main laggard was Synthomer, which responded poorly to an acquisition and rights issue, reflecting overall market nervousness. Alpha FMC fell another 11% after recent figures whilst Tyman saw downgrades on poor results and fell by 10%. All three were large positions which did not help. Dialight also endured yet another profit warning and fell by 26%. In general, our more cyclical stocks struggled whilst owning nothing in healthcare and consumer staples was detrimental in a month when such sectors reached new highs.

Portfolio Activity

A new holding was purchased in Imperial Brands, where we see an exceptional valuation opportunity. Three sales were made. Of particular note was Sanne, where we were fortunate to sell prior to a disappointing update which saw the price fall by more than 30%. We also sold the holdings in Greencore and Victoria after good recent recovery in both. We reduced the holding in Standard Life Aberdeen and added to the real estate company U&I Group. Cash currently stands at 5%.

July – Attribution *

Top Contributors	Positive
MJ Gleeson	+0.77%
Wood Group	+0.51%
Restore	+0.26%
STV Group	+0.21%
U&I Group	+0.15%
Top Detractors	Negative
Synthomer	-0.52%
Alpha FMC	-0.47%
Dialight	-0.45%
Tyman	-0.41%
Premier Asset Mgmt	-0.25%

*Source: Bloomberg as at 31/7/19

Fund Breakdown

Top 10 Holdings	
MJ Gleeson	5.6%
Prudential	4.7%
Synthomer	4.2%
Standard Life Aberdeen	4.1%
Palace Capital	3.8%
Alpha FMC	3.8%
Melrose Industries	3.8%
Restore	3.8%
Wood Group	3.7%
Tyman	3.6%

Sector breakdown	
Industrials	36.0%
Financials	25.5%
Consumer Goods	16.2%
Basic Materials	7.2%
Consumer Services	6.3%
Oil & Gas	3.6%
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:

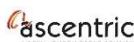
T. Bailey Fund Services Limited (TBFS)
64 St. James's Street
Nottingham
NG1 6FJ

General Enquiries: 0115 988 8200
Dealing Line: 0115 988 8274
E-mail Dealing: clientservices@tbailey.co.uk

(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. 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 July 2019