

TB Saracen UK Income Fund

July 2019

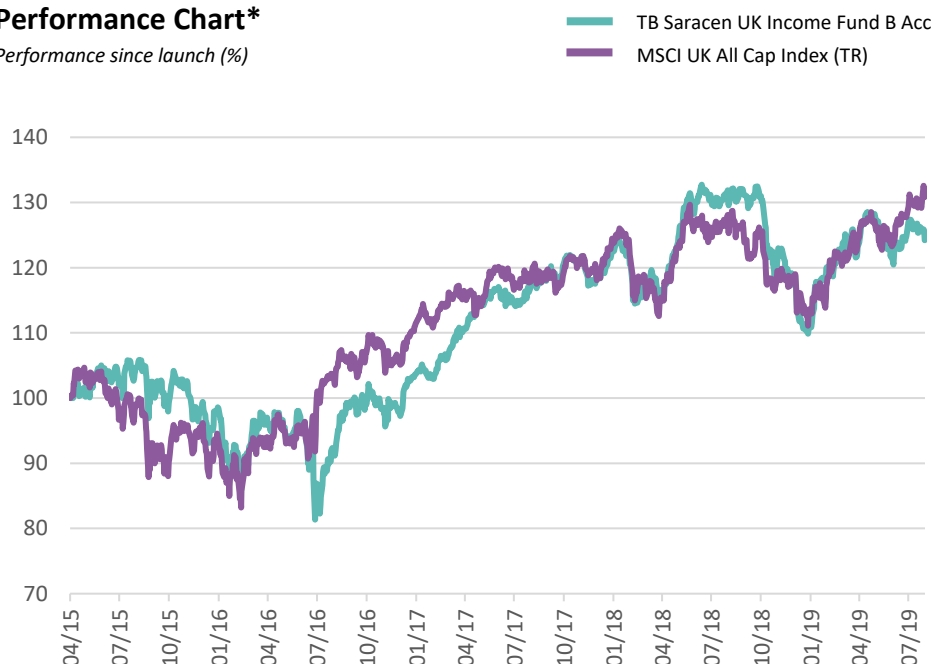
SARACEN
share success

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 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	Since launch*
TB Saracen UK Income B Acc	-1.0%	-2.9%	-5.8%	34.5%	24.2%
MSCI UK All Cap Index (TR)	1.9%	2.3%	0.9%	26.5%	31.6%
Sector Average	1.3%	0.0%	-1.8%	18.1%	22.0%
Quartile Ranking	4	4	4	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 31st July 2019)

Fund size: £3.3m
Launch date: 01/04/15

Historic yield: 5.2%

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: 124.21p
B Distribution: 100.65p

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.

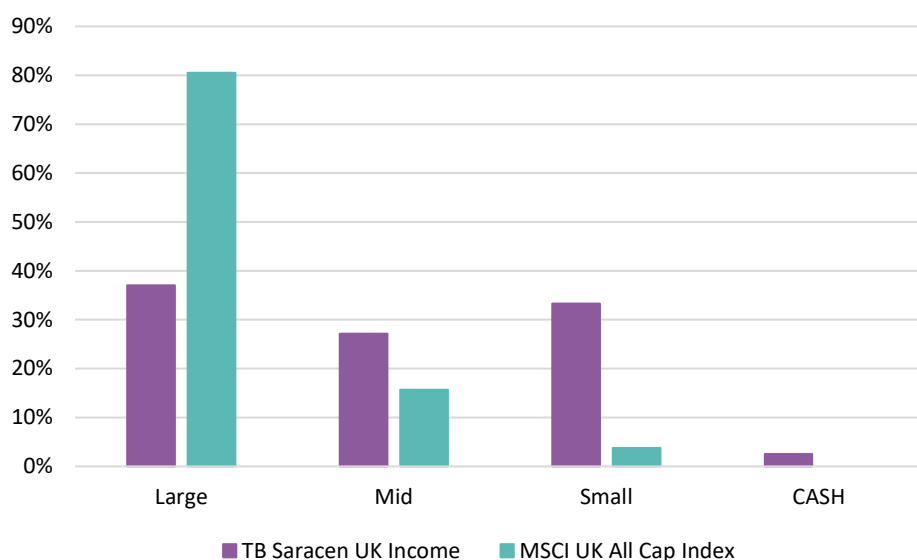


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July 2019



Fund Breakdown by Market Capitalisation



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

Monthly Commentary

Performance

The Fund struggled somewhat during July, falling by 1.0% in comparison to an increase in the MSCI UK All Cap index of 1.9%. The key factors behind this were very similar to those reported in previous months, with the ongoing divergence between value and growth styles along with material underperformance of the smallcap indices both combining to deliver a disappointing result. The smaller company index fell by 0.2% whilst the FTSE100 index rose by 2.2% as weaker sterling and fears of a no-deal Brexit intensified post the appointment of the new Prime Minister.

Positives

Our best performances came from several stocks which had previously lagged. Wood Group rose another 17%, building on some recovery seen at the end of June. At long last Imperial Brands found a floor and rose 13% - it is now our largest investment. Other gains were more modest with National Express posting good results and DiscoverIE continuing to see a re-rating.

Negatives

Our main laggard was Alpha FMC, which fell another 11% after recent figures. Tyman saw downgrades on poor results and fell by 10%. Both stocks were large positions which did not help. Synthomer responded poorly to an acquisition and rights issue, reflecting overall market nervousness. 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

We increased exposure to real estate during July, buying a new holding in U&I Group and adding to a small position in NewRiver REIT. We believe that the quoted property sector now offers exceptional long-term value. We sold the holding in food producer Greencore at a healthy profit and reduced holdings in Standard Life Aberdeen and Jupiter after good recovery in both. Our income position remains healthy and the Fund continues to offer a substantial dividend yield.

July – Attribution *

Top Contributors	Positive
Imperial Brands	+0.47%
Wood Group	+0.47%
STV Group	+0.19%
National Express	+0.12%
DiscoverIE	+0.11%
Top Detractors	Negative
Alpha FMC	-0.47%
Tyman	-0.36%
Synthomer	-0.34%
Jupiter	-0.28%
Galliford Try	-0.19%

*Source: Bloomberg as at 31/7/19

Fund Breakdown

Top 10 Holdings	
Imperial Brands	5.1%
Aviva	4.5%
Lloyds Banking	4.4%
Standard Life Aberdeen	4.1%
Gateley	4.0%
Alpha FMC	4.0%
DS Smith	3.9%
Palace Capital	3.7%
BHP	3.5%
Wood Group	3.5%

Sector breakdown	
Financials	31.2%
Industrials	21.6%
Consumer Services	14.8%
Consumer Goods	13.9%
Basic Materials	9.6%
Oil & Gas	6.5%
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

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. 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.tbaileys.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