

TB Saracen Global Income and Growth Fund

August 2019

SARACEN
share success

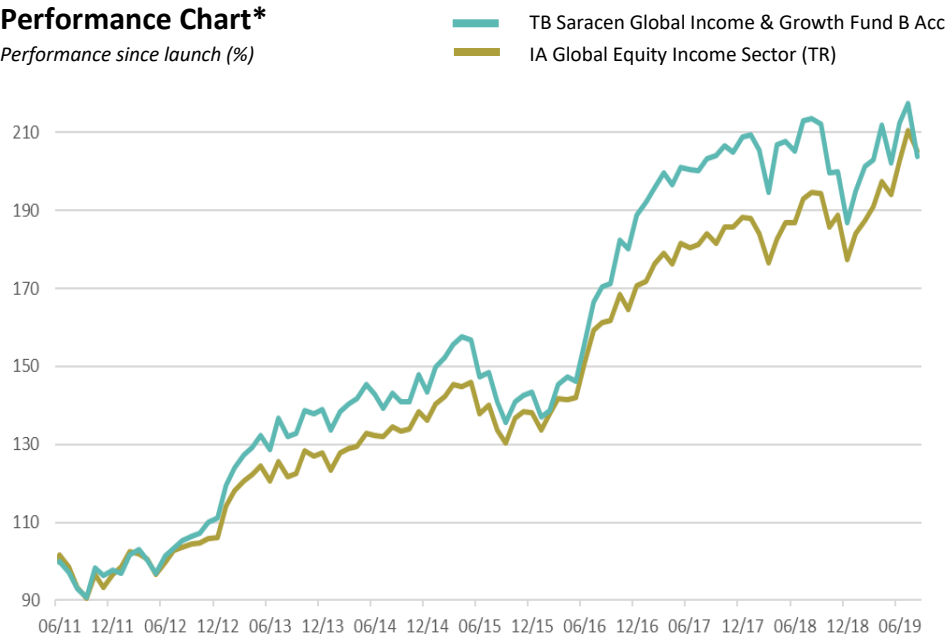


Fund Overview

- 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 30th August 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 30 August 2019

	1 month	3 months	1 year	3 years	5 years	Since launch*
TB SGIG B Acc	-6.2%	+1.0%	-4.5%	+19.6%	+43.6%	+104.4%
Sector Average	-2.5%	+5.7%	+5.3%	+27.3%	+52.6%	+105.1%
Quartile Ranking	4	4	4	3	3	3

Source: Financial Express; *launch date 07 June 2011

Sector: IA Sector (Global Equity Income)

FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

FUND DETAILS

(as at 30th August 2019)

Fund size: £117m
Launch date: 07/06/11
Historic yield: 3.9%

No. of holdings: 41
Active share: 93%
Beta: 0.96

Source: Bloomberg as at 30/08/19

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: 203.93p
B Distribution: 158.68p

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.



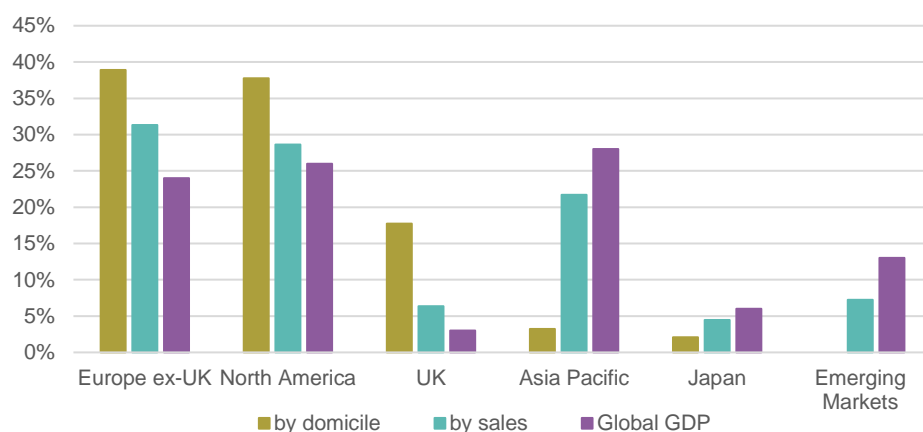
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Fund Breakdown by Geography



Data as of 30th August 2019, Source: Bloomberg/Saracen Fund Managers

Monthly Commentary

Performance

In August, markets were dominated by a re-escalation of the trade war between the US and China, and yield curves inverting which increased investor fears of a global recession. It also marked the end of our companies reporting their Q2 results. In general results have been solid, but outlook statements are cautious reflecting the macro-economic uncertainties that currently prevail. With that backdrop, expensive defensive shares performed strongly, and cheap cyclical shares fell, which continues to be a strong headwind for the fund.

This month, the total return for TB SGIG was -6.2%, compared to -2.5% for the IA Global Equity Income sector. We are hugely disappointed with the fund performance over the last 12 months but retain faith that our portfolio of lowly valued, well managed, global leading businesses will, over time, deliver for our investors. The fund now trades on 10.6X Year 1 PER and yields 5%, which we believe is anomalous. Whilst we have no idea when market conditions will change in favour of our "value" strategy, the extreme disparity in performance, valuation and investor positioning means that when this does occur it is likely to be severe, fast and hugely beneficial for the fund.

FX

Currency movements had a small negative impact on the fund's performance. Sterling was up 0.1%, 1.1% and 0.2% against the CHF, EUR and USD respectively.

Positives

Our exposure to the Healthcare sector proved beneficial. Novo Nordisk (+9%) upgraded sales and profit guidance whilst AstraZeneca (+4%), Merck (+4%) both out-performed. Pandora (+14%) shares bounced after reporting in-line results and the new management team bought shares.

Negatives

Philip Morris (-16%) shares fell after announcing a potential merger with Altria. Whilst unexpected, we believe that PMI mgmt. are taking advantage of the significant underperformance and de-rating of Altria shares in recent years. AiB (-26%) had slightly disappointing results but continues to be hit hard by fears over the impact of a no-deal Brexit. Pfizer (-9%) continued to fall after the spin-off of its generic drugs to Mylan was poorly received.

Portfolio Activity

We bought a new holding in Bristol-Myers Squibb and topped up our position in Cisco during the month. We funded this by taking profits in AstraZeneca, Novo-Nordisk and Roche.

	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

August – Attribution *

Top Contributors	Positive
Pandora	+0.28%
Asahi	+0.16%
Merck	+0.14%
Novo Nordisk	+0.13%
Roche	+0.10%
Top Detractors	Negative
Philip Morris Intl	-0.55%
Allied Irish Bank	-0.49%
Interpublic Group	-0.40%
Schlumberger	-0.40%
IBM	-0.40%

*Source: Bloomberg as at 30/08/19

Fund Breakdown

Top 10 Holdings	
Roche	4.6%
Saint Gobain	4.1%
IBM	3.9%
Imperial Brands	3.9%
Heidelberg Cement	3.7%
HSBC	3.5%
Merck	3.5%
Philip Morris Intl.	3.5%
Johnson Matthey	3.4%
DBS Group	3.3%

Sector breakdown	
Healthcare	17.7%
Financials	17.4%
Industrials	16.9%
Technology	11.8%
Basic Materials	10.7%
Consumer Goods	9.2%
Consumer Services	9.0%
Oil & Gas	7.1%
Utilities	0.0%
Cash	0.2%

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.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.

Issued by Saracen Fund Managers Limited. Please note that Saracen Fund Managers Limited do not provide financial advice. If you have any doubt whether the TB Saracen Global Income and Growth Fund is suitable for you and you wish to receive advice you should contact your Financial Adviser.

Regulatory Status:

FCA Recognised: Yes
Scheme Type: OEIC (UCITS)

Issue date – 30th August 2019