

# TB Saracen UK Alpha Fund

August 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 30<sup>th</sup> 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 charges to 30<sup>th</sup> August 2019

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Alpha B Acc</b>	-5.6%	-4.2%	-10.5%	24.5%	37.5%	636.9%
<b>MSCI UK All Cap Index (TR)</b>	-3.9%	1.3%	-0.2%	19.5%	29.0%	
<b>Sector Average</b>	-3.3%	0.8%	-3.2%	17.4%	29.7%	178.0%
<b>Quartile Ranking</b>	4	4	4	1	2	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 30<sup>th</sup> August 2019)

**Fund size:** £11m  
**Launch date:** 05/03/99

**No. of holdings:** 30  
**Active share:** 93%  
*Source: Bloomberg*

**Denomination:** GBP

**Valuation point:** 12 noon

### Fund prices:

**A Accumulation: 451.21p**  
**B Accumulation: 736.92p**

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.

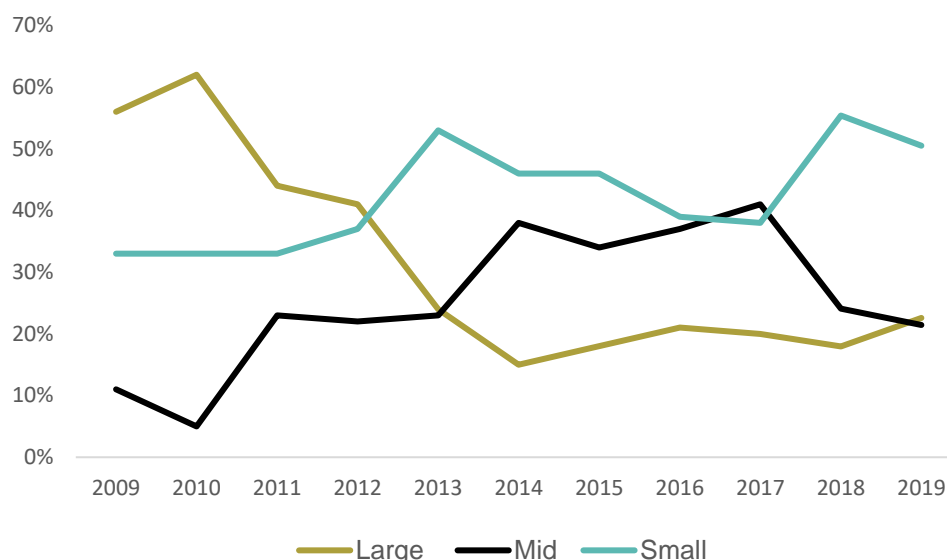


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## Fund Breakdown by Market Capitalisation



Data as of 30<sup>th</sup> August 2019, Source: Saracen Fund Managers

## Monthly Commentary

### Performance

The Fund had a disappointing month in August, falling by 5.6% in comparison to a fall in the MSCI UK All Cap index of 3.9%. In general, our bias towards value, financials and industrials was exactly the wrong type of positioning for markets which remain highly nervous. Any disappointments we had were dealt with savagely whilst weaker sterling and fears of a no-deal Brexit continue to impact our positions in a number of small and midcap businesses, regardless of their low valuations.

### Positives

In a difficult month there was only one outstanding performer, Avon Rubber, which rose by 33% in response to a strategically important acquisition. The new holding in Imperial Brands and the large position in Synthomer also made modest progress.

### Negatives

There were numerous laggards in a results season tinged with downgrades. Wood Group results were a little light but the fall of 29% reflected a complete lack of confidence in their future guidance. Kin & Carta warned that recovery was another year away and fell 21% whilst TI Fluid Systems figures highlighted the tough global automotive outlook and the shares fell 14%. Financials stocks continue to perform very poorly as bond yields collapse with Prudential falling 18% in relation to the woes in Hong Kong and Standard Life Aberdeen producing poor results once again in its core business.

### Portfolio Activity

We sold two problem stocks – Dialight, which had seen a bounce post a recent profit warning and Clipper Logistics, where concerns about accounting had become apparent and results were delayed. We also reduced the large holding in Gleeson after some recent recovery. Post these sales a number of holdings were added to which we believe are heavily oversold. These included Barclays, Standard Life Aberdeen, U&I Group, Melrose and Equiniti. A new holding was purchased in Polypipe, where Brexit concerns have seen construction related stocks fall in valuation. Cash currently stands at 5%.

## August – Attribution \*

Top Contributors	Positive
Avon Rubber	+0.80%
Synthomer	+0.10%
Imperial Brands	+0.06%
Alpha FMC	+0.05%
Dialight	+0.04%
Top Detractors	Negative
Wood Group	-1.00%
Kin & Carta	-0.64%
Prudential	-0.51%
Standard Life Aberdeen	-0.51%
TI Fluid Systems	-0.43%

\*Source: Bloomberg as at 30/8/19

## Fund Breakdown

Top 10 Holdings	
MJ Gleeson	4.7%
Melrose	4.5%
Synthomer	4.4%
Standard Life Aberdeen	4.2%
Alpha FMC	4.0%
Prudential	4.0%
Palace Capital	3.9%
Barclays	3.9%
Restore	3.8%
Equiniti	3.7%

Sector breakdown	
Industrials	36.5%
Financials	26.3%
Consumer Goods	15.3%
Basic Materials	7.3%
Consumer Services	6.3%
Oil & Gas	2.7%
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**



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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 – 30<sup>th</sup> August 2019**