

# TB Saracen UK Income Fund

August 2019

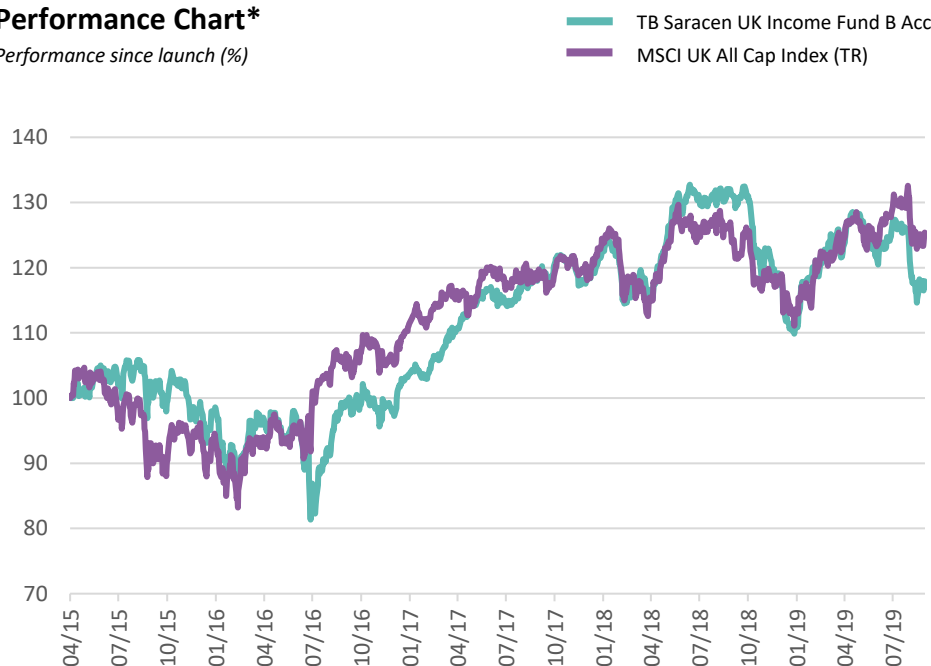
**SARACEN**  
share success

## 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 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 30th August 2019

	1 month	3 months	1 year	3 years	Since launch*
<b>TB Saracen UK Income B Acc</b>	-5.1%	-3.1%	-10.1%	19.5%	17.9%
<b>MSCI UK All Cap Index (TR)</b>	-3.9%	1.3%	-0.2%	19.5%	26.5%
<b>Sector Average</b>	-3.5%	0.2%	-3.8%	10.6%	17.8%
<b>Quartile Ranking</b>	4	4	4	1	3

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 30<sup>th</sup> August 2019)

**Fund size:** £3m  
**Launch date:** 01/04/15

**Historic yield:** 5.5%

**No. of holdings:** 32  
**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:** 117.94p  
**B Distribution:** 95.54p

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.

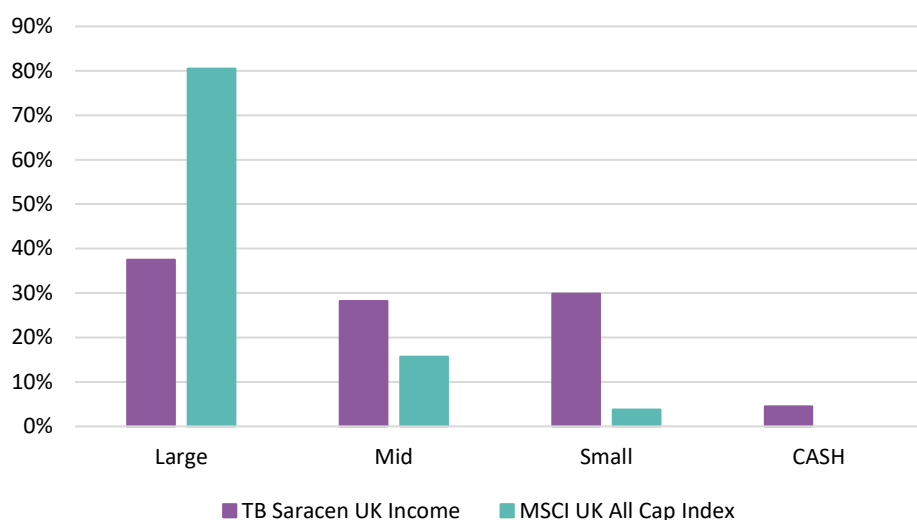


# TB Saracen UK Income Fund

August 2019



## 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 5.1% 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, Greene King, which rose by 40% in response to a cash takeover bid at 850p from CK Asset Holdings. The large holding in Imperial Brands and increased 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 Aviva falling another 10% and Standard Life Aberdeen declining 14% after producing poor results once again in its core business.

### Portfolio Activity

We sold three stocks – DiscoverIE, which had seen a rerating since purchase, Greene King (after the takeover bid) and Clipper Logistics, where concerns about accounting had become apparent and the results were delayed. Post these sales a number of holdings were added to which we believe are heavily oversold. These included Close Brothers, DS Smith, Standard Life Aberdeen, U&I Group and WPP. New holdings were purchased in Ibstock and Bovis. In both cases Brexit concerns had seen construction related stocks fall in valuation. Our income position remains healthy and the Fund continues to offer a substantial dividend yield. Post the Greene King sale we have 5% in cash.

## August – Attribution \*

Top Contributors	Positive
Greene King	+1.00%
Imperial Brands	+0.12%
Synthomer	+0.09%
National Express	+0.07%
Alpha FMC	+0.05%
Top Detractors	Negative
Wood Group	-0.98%
Kin & Carta	-0.54%
Standard Life Aberdeen	-0.53%
TI Fluid Systems	-0.43%
Aviva	-0.42%

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

## Fund Breakdown

Top 10 Holdings	
Imperial Brands	5.4%
Lloyds Banking	4.5%
DS Smith	4.3%
Aviva	4.2%
Standard Life Aberdeen	4.1%
Alpha FMC	4.1%
Gateley	4.1%
Palace Capital	3.8%
Synthomer	3.7%
Close Brothers	3.5%

Sector breakdown	
Financials	32.0%
Industrials	19.3%
Consumer Goods	15.6%
Consumer Services	13.0%
Basic Materials	10.1%
Oil & Gas	5.4%
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](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



### 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](http://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](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**