

TB Saracen UK Income Fund

September 2019

SARACEN
share success

Signatory of:

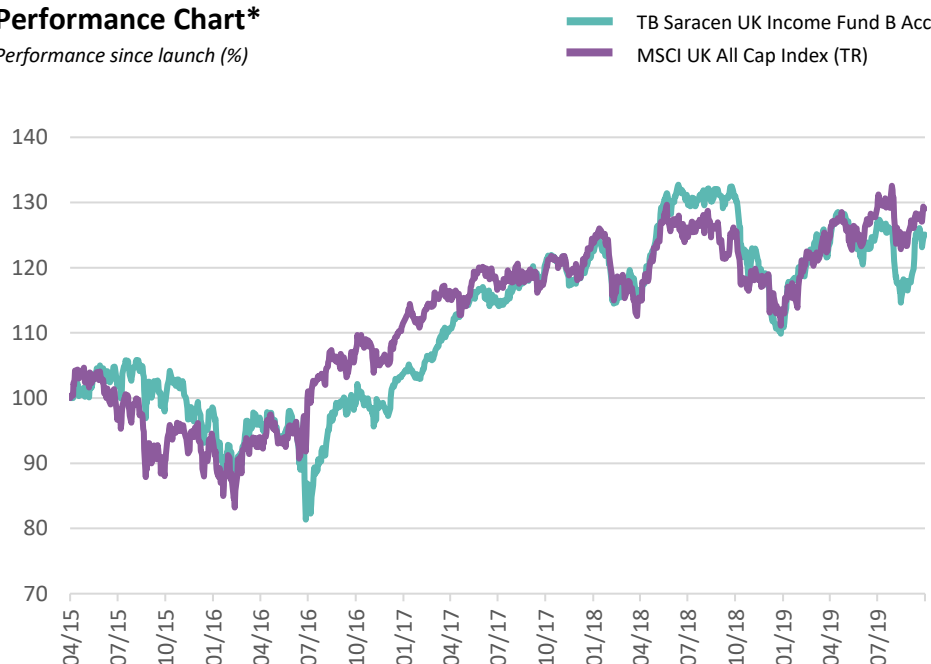


Fund Overview

- 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 30th September 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 September 2019

	1 month	3 months	1 year	3 years	Since launch*
TB Saracen UK Income B Acc	6.1%	-0.3%	-4.4%	26.4%	25.1%
MSCI UK All Cap Index (TR)	3.0%	0.9%	2.0%	20.8%	30.3%
Sector Average	3.4%	1.1%	-0.1%	14.3%	21.8%
Quartile Ranking	1	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 30th September 2019)

Fund size: £3.2m
Launch date: 01/04/15

Historic yield: 5.2%

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: 125.10p
B Distribution: 101.29p

Policy is not to charge a dilution levy except in exceptional circumstances.

ACD:

T. Bailey Fund Services Limited

Scott McKenzie
Fund Manager

David Clark
Fund Manager



Scott McKenzie joined Saracen in August 2014 and has managed the fund since launch. **David Clark** joined the team in March 2019. Both David and Scott have over 25 years' experience managing UK equity funds.

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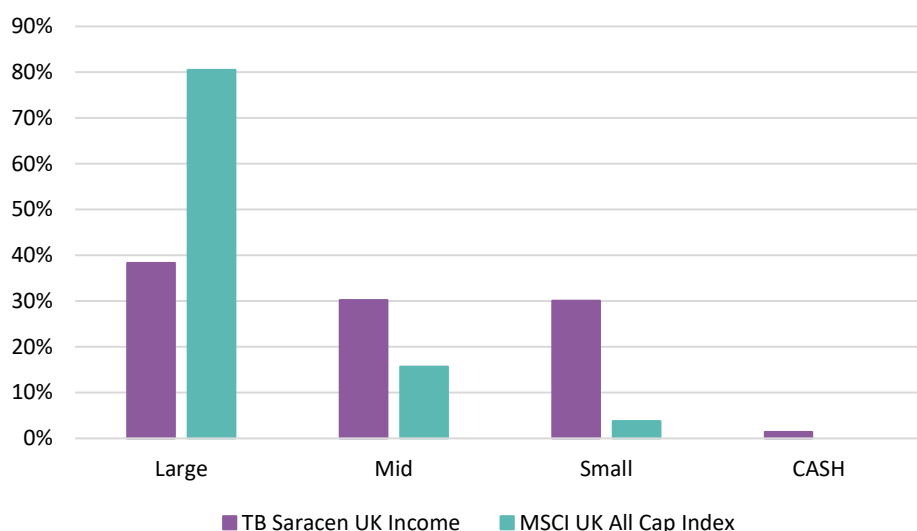
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Fund Breakdown by Market Capitalisation



Data as of 30th September 2019, Source: Saracen Fund Managers

Monthly Commentary

Performance

After a difficult summer the Fund enjoyed a much better month in September, rising by 6.1% in comparison to a 3.0% increase from the MSCI UK All Cap Index. In general September saw a reversal of the weaker trends we had seen previously, with a sharp recovery in value stocks, notably in the financials and industrials sectors. Smaller companies continue to lag with political unrest and ongoing Brexit concerns dominating sentiment. This remains a modest headwind for the Fund but should also provide good opportunity going forward, if the dust ever settles.

Positives

It was a month of strong recovery with 10 holdings rising by more than 10%. Our large weighting in financials was a highlight. The purchases of U&I and Standard Life Aberdeen in August paid off, with rises of 11% and 15% respectively, whilst NewRiver, Lloyds, Close Brothers and Aviva all recovered nicely. Cyclical companies enjoyed a bounce, notably Tyman and TI Fluid Systems. Our increased weighting in the UK construction sector also delivered good results with Galliford Try rising by 14% in response to merger talks with Bovis and our recent purchase of Bovis also benefitting from this news, rising by 10%. We believe that the combination has compelling logic if executed well. Another recent addition to the fund, Ibstock, also rallied by 10%.

Negatives

Thankfully there was only one laggard of any note. A mild profit warning from Imperial Brands was the main culprit, with the stock falling 14% towards the end of the month. Given this was one of our largest holdings, it was a painful setback, despite the arguably harsh treatment of the shares.

Portfolio Activity

Having made a few changes during August, this was a far quieter month of activity. We reduced the position in Tyman after a strong recovery in the price and added to the small holding in Superdry. Our income position remains healthy and the Fund continues to offer a substantial dividend yield, with only 1% of the portfolio held in cash.

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual Charge	Ongoing**
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

September – Attribution *

Top Contributors	Positive
Tyman	+0.61%
Standard Life Aberdeen	+0.58%
Aviva	+0.49%
Galliford Try	+0.48%
TI Fluid Systems	+0.44%
Top Detractors	Negative
Imperial Brands	-0.65%
Halfords	-0.07%
Royal Dutch Shell	-0.05%
Kin & Carta	-0.02%

*Source: Bloomberg as at 30/9/19

Fund Breakdown

Top 10 Holdings	
Lloyds Banking	4.8%
Standard Life Aberdeen	4.6%
Aviva	4.6%
Imperial Brands	4.5%
DS Smith	4.5%
Alpha FMC	4.2%
Gateley	4.1%
Synthomer	3.9%
Close Brothers	3.8%
Palace Capital	3.7%

Sector breakdown	
Financials	34.5%
Industrials	19.0%
Consumer Goods	16.4%
Consumer Services	13.2%
Basic Materials	10.0%
Oil & Gas	5.4%
Healthcare	0.0%
Telecoms	0.0%
Technology	0.0%
Utilities	0.0%

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.

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Regulatory Status:

FCA Recognised: Yes
Scheme Type: OEIC (UCITS)

Issue date – 30th September 2019