

TB Saracen Global Income and Growth Fund

December 2019

SARACEN
share success

Signatory of:

PRI Principles for Responsible Investment



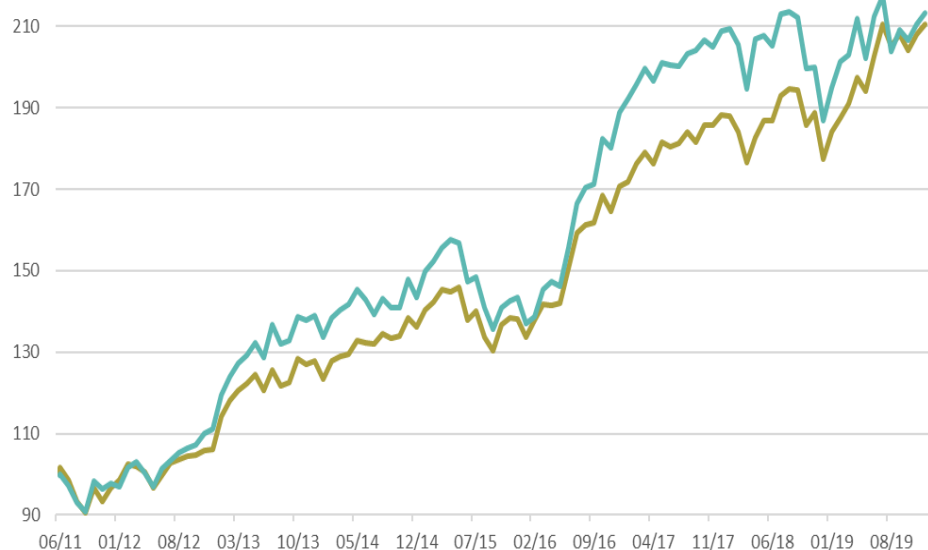
Fund Overview

- 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 (%)

— TB Saracen Global Income & Growth Fund B Acc
— IA Global Equity Income Sector (TR)



*Source: Financial Express, as at 31st December 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 31 December 2019

	1 month	3 months	1 year	3 years	5 years	Since launch*
TB SGIG B Acc	+1.4%	+2.1%	+14.2%	+13.1%	+48.8%	+114%
Sector Average	+1.2%	+1.2%	+18.6%	+23.3%	+54.2%	+110%
Quartile Ranking	2	2	4	4	3	2

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 31st December 2019)

Fund size: £116m
Launch date: 07/06/11
Historic yield: 4.1%

No. of holdings: 43
Active share: 93%
Beta: 0.99

Source: Bloomberg as at 31/12/19

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: 213.31p
B Distribution: 165.99p

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

ACD:
T. Bailey Fund Services Limited

Graham Campbell
Executive Director

David Keir
Chief Executive Officer



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 19 years of industry experience.



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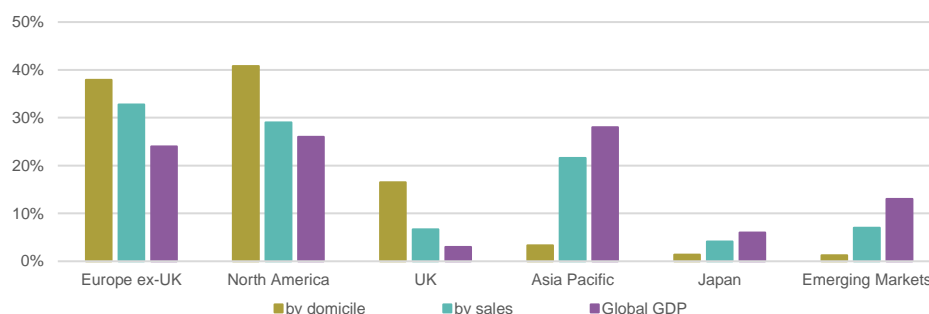
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Fund Breakdown by Geography



Data as of 31st December 2019, Source: Bloomberg/Saracen Fund Managers

Monthly Commentary

Performance

Markets ended the year on a high as some of the key macro concerns dissipated. The USA and China agreed a Phase 1 trade deal, Boris Johnson's landslide victory removed the threat of a Corbyn Govt. and will result in the UK leaving the EU on time and (most likely) in an orderly manner. Liquidity remains abundant with the Fed keeping interest rates on hold and economic data continues to show modest improvement.

The fund has performed much better since the beginning of September but remains cheap (trading on 11.9X year 1 PER and 4.6% dividend yield). Given the extremities that still exist in markets, we consider many of our holdings to be significantly undervalued. This month, the total return for TB SGIG was +1.4%, compared to +1.2% for the IA Global Equity Income sector. The fund has delivered a return of +114% since launch in June 2011.

Dividend

The fund declared a final dividend of 2.79p (+ 27% y-o-y growth). The total dividend for the year is 6.74p (+23% y-o-y growth) which means that the historic yield on the fund is 4.1%. The dividend has benefitted from the change in charging structure which took place in March 2019. We target mid-single digit dividend growth over the long-term.

FX

Currency movements had a negative impact on the fund's performance. Sterling was up +0.3% and +2.4% against the EUR and USD but down -1% against the CHF.

Positives

Carnival (+10%) posted better-than-expected quarterly earnings and 2020 guidance above analysts' expectations, driven by strong demand for its Caribbean cruises. Svenska Handelsbanken (+8%) performed strongly after the Swedish central bank, the pioneers of negative interest rates, raised interest rates to zero. Imperial Brands (+9%) bounced off lows as investors anticipated new legislation on e-vaping in the US that could help the large tobacco companies and penalise small players.

Negatives

Valeo (-13%) was subject to profit taking after some analysts were disappointed with the FCF targets at its capital markets day. DuPont de Nemours (-7%) shares fell despite announcing the disposal of their nutrition business to IFF for a much better price than expected.

Portfolio Activity

We bought eBay Inc and Samsonite during the month. We also continued to rebuild our position in Cisco. We funded this through reducing our weightings in AstraZeneca, HeidelbergCement, HSBC, Interpublic Group, Merck, Roche and Schneider.

December – Attribution *

Top Contributors	Positive
Imperial Brands	+0.31%
Svenska Handelsbanken	+0.26%
Schlumberger	+0.18%
Bristol Myers Squibb	+0.15%
Carnival Corp	+0.13%
Top Detractors	Negative
Valeo	-0.17%
IBM	-0.11%
Asahi Group	-0.09%
DuPont De Nemours	-0.09%
HeidelbergCement	-0.09%

*Source: Bloomberg as at 31/12/19

Fund Breakdown

Top 10 Holdings	
Philip Morris Intl.	4.2%
Roche	4.2%
IBM	3.6%
Saint Gobain	3.5%
Johnson Matthey	3.5%
Johnson & Johnson	3.5%
Svenska Handelsbanken	3.4%
Imperial Brands	3.3%
DBS Group	3.3%
Evonik	3.2%

Sector breakdown	
Financials	17.6%
Healthcare	17.0%
Technology	14.3%
Industrials	12.8%
Basic Materials	11.1%
Consumer Services	11.5%
Consumer Goods	9.0%
Oil & Gas	6.7%
Utilities	0.0%
Cash	0.0%

	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

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 – 31st December 2019