

# TB Saracen UK Alpha Fund

December 2019

**SARACEN**  
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## 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 31<sup>st</sup> 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 charges to 31<sup>st</sup> December 2019

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Alpha B Acc</b>	9.4%	15.4%	31.5%	43.3%	67.1%	796.9%
<b>MSCI UK All Cap Index (TR)</b>	3.2%	3.7%	18.3%	20.7%	41.8%	
<b>Sector Average</b>	3.8%	7.1%	22.3%	23.8%	43.9%	205.7%
<b>Quartile Ranking</b>	1	1	1	1	1	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 31<sup>st</sup> December 2019)

**Fund size:** £15.2m  
**Launch date:** 05/03/99

**No. of holdings:** 31  
**Active share:** 93%  
*Source: Bloomberg*

**Denomination:** GBP

**Valuation point:** 12 noon

### Fund prices:

**A Accumulation: 547.78p**  
**B Accumulation: 896.90p**

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 June 2017. **David Clark** joined the team in March 2019. Both David and Scott have over 25 years' experience managing UK equity funds.



# TB Saracen UK Alpha Fund

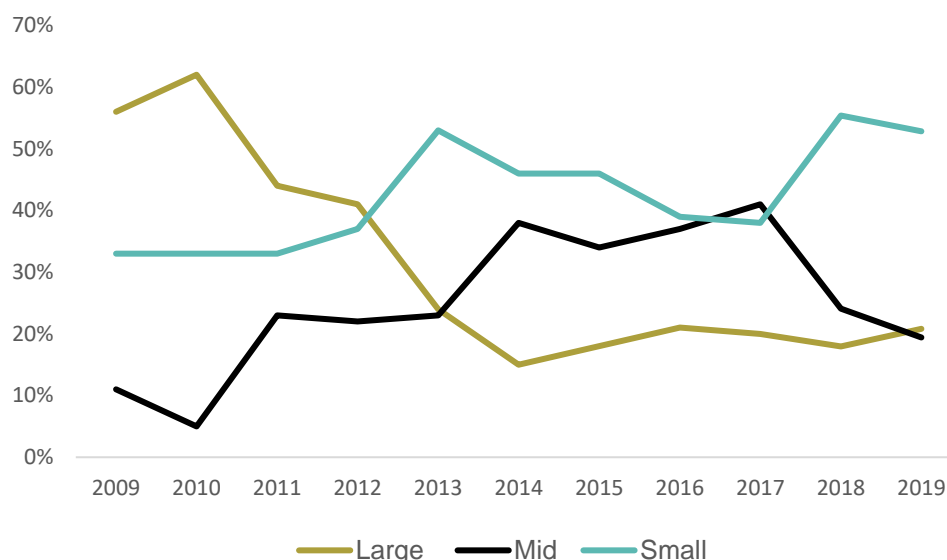
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## Fund Breakdown by Market Capitalisation



Data as of 31<sup>st</sup> December 2019, Source: Saracen Fund Managers

## Monthly Commentary

### Performance

The Fund enjoyed a very strong end to the year, rising by 9.4%, which was significantly ahead of the MSCI UK All Cap Index return of 3.2%. This meant that 2019 was a very pleasing year overall, with the Fund returning 31.5%, well in excess of the main index and peer group funds. The clear Conservative majority in the election was very helpful for our portfolio, which has significant exposure to mid and smallcap companies and a bias towards domestic earnings. The mid and smallcap indices rose by 5.4% and 6.1% respectively in December, whilst the FTSE100 lagged somewhat, rising by 2.8%.

### Positives

It was a month when almost everything went our way, with 12 stocks rising by more than 15%. The key theme was a heavy bias to UK domestic sectors with stocks such as Galliford, Gleeson, Palace Capital, U&I and Restore all making material contributions. Premier Miton finally came good post the merger, rising by 21% whilst Synthomer recovered after its recent weaker trading and jumped by 16%. It was also pleasing to see Alpha FMC respond positively to good results, with the shares up 19%.

### Negatives

It is a rare month indeed when there are no disappointments but thankfully December was one of those, with Superdry the only stock held within the portfolio which failed to rise in value.

### Portfolio Activity

After a significant post-election bounce the holding in Polypipe was sold at a meaningful profit. We also reduced exposure to some of our more highly-rated winners, including Avon Rubber, DiscoverIE and Restore. We increased holdings in laggards such as Halfords, Superdry and Premier Miton, where we hope for good recovery in 2020. Cash currently stands at 5%.

## December – Attribution \*

Top Contributors	Positive
MJ Gleeson	+0.80%
Galliford Try	+0.78%
Alpha FMC	+0.69%
Synthomer	+0.63%
Restore	+0.58%
Top Detractors	Negative
Superdry	-0.03%

\*Source: Bloomberg as at 31/12/19

## Fund Breakdown

Top 10 Holdings	
Galliford Try	4.8%
MJ Gleeson	4.4%
Standard Life Aberdeen	4.3%
Synthomer	4.1%
Barclays	4.1%
Alpha FMC	3.9%
Palace Capital	3.7%
Rio Tinto	3.5%
Prudential	3.3%
Kin & Carta	3.2%

Sector breakdown	
Financials	29.3%
Industrials	25.5%
Consumer Goods	17.4%
Consumer Services	8.4%
Basic Materials	7.6%
Healthcare	2.7%
Oil & Gas	2.4%
Telecoms	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 –31<sup>st</sup> December 2019**