# TB Saracen UK Alpha Fund

## Quarterly Review – December 2020

SARACEN
share success

Signatory of: PRI Principles for Responsible Investment

FOR PROFESSIONAL INVESTORS ONLY-

Retail investors should consult their financial advisers

**Scott McKenzie**
**Fund Manager**

**David Clark**
**Fund Manager**

| | TB SUAF | MSCI UK All Cap (TR) | Relative |
|---|---|---|---|
| **Q4 2020** | +31.9% | +12.4% | +19.5% |

## Performance Summary

The fourth quarter of 2020 saw the fund continue to deliver some excellent results. All three months of the quarter posted positive returns both on an absolute basis and on a relative basis. This continued the strong fightback for the fund which began in Q2 of 2020 and has continued since then. October's performance was largely helped by our overweight positions in mid and small cap companies. During that month the FTSE 100 stocks bore the brunt of the market falls and the fund's exposure here is only modest. November was the standout month of the quarter where our long-held bias towards value factors really paid off and our patience was rewarded with some very strong price recoveries in stocks we have long considered undervalued. Although December was a quiet month, as it usually is, it did not stop the fund from continuing its recent run and indeed the contributors to the performance of the fund broadened out somewhat.

***Cumulative Performance after all ongoing charges to 31st December 2020***

| | 3 months | 1 year | 3 years | 5 years |
|---|---|---|---|---|
| **TB Saracen UK Alpha B Acc** | 31.9% | -4.2% | 13.8% | 44.8% |
| **MSCI UK All Cap Index (TR)** | 12.4% | -11.3% | -5.3% | 25.6% |
| **Sector Average** | 15.3% | -6.0% | 2.0% | 28.9% |
| **Quartile Ranking** | 1 | 2 | 1 | 1 |

*Source: Financial Express* *Sector: IA Sector (UK All Companies)*

## Market & Economic Overview

2020 was a year unlike any other we have faced and market returns were both volatile and dramatic throughout. As UK equity investors it was an undeniably sobering affair with the MSCI UK Allcap index falling by 11.3%, compared to the MSCI World return of +15.9%. It was a year for US and Asian investors with the UK and Europe being notable laggards again.

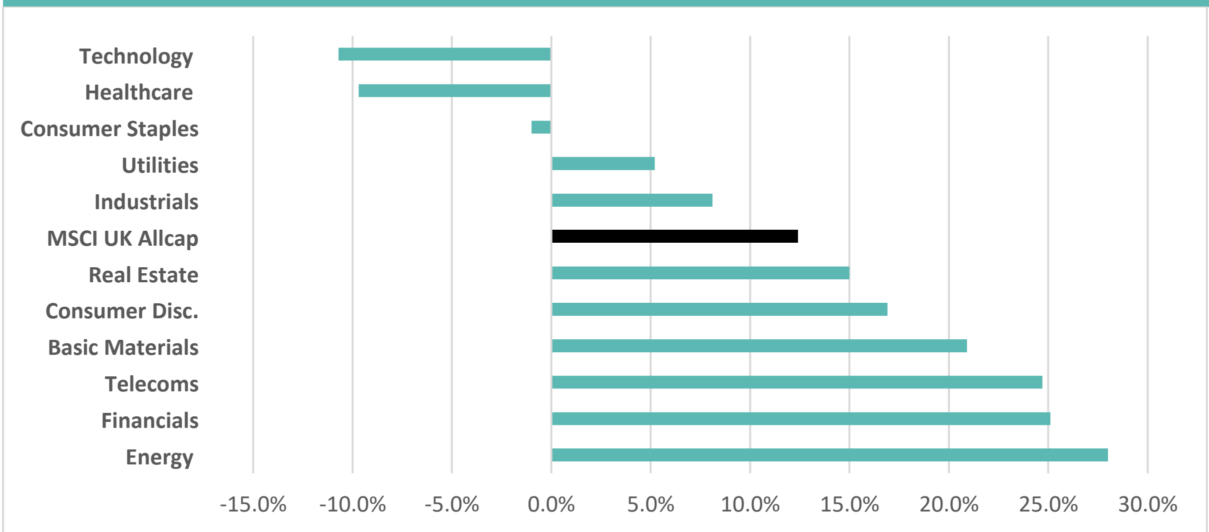
However, there were some grains of comfort for UK investors with the FTSE Smallcap index rising by 7% during the year and AIM rising by more than 20%. Compare this to the -12% recorded by the FTSE100, with the largecap index hampered by dividend cuts in mature sectors such as banks and oils, as well as a woeful underrepresentation in technology, the star sector of the year globally.

The final quarter returns illustrated these trends perfectly with material outperformance coming from mid and smallcap stocks and a very pedestrian recovery in the FTSE100 index.

| Total returns by capitalisation: 3 months to 31st December 2020 | |
|---|---|
| **FTSE100** | +6.4% |
| **FTSE Mid250** | +21% |
| **FTSE Smallcap** | +25.7% |

The changes at a sector level were equally dramatic, with significant mean reversions seen across markets leading to rapid changes in style factors. In a nutshell everything which had previously performed strongly (eg. healthcare, technology, staples, utilities) began to underperform, whilst previous laggards such as banks, oils and telecoms delivered strong returns from a very low base. The speed and velocity of these changes took many investors by surprise but we are pleased to report that the Fund navigated these major trend reversals well, leading to much improved results and a decent year overall.

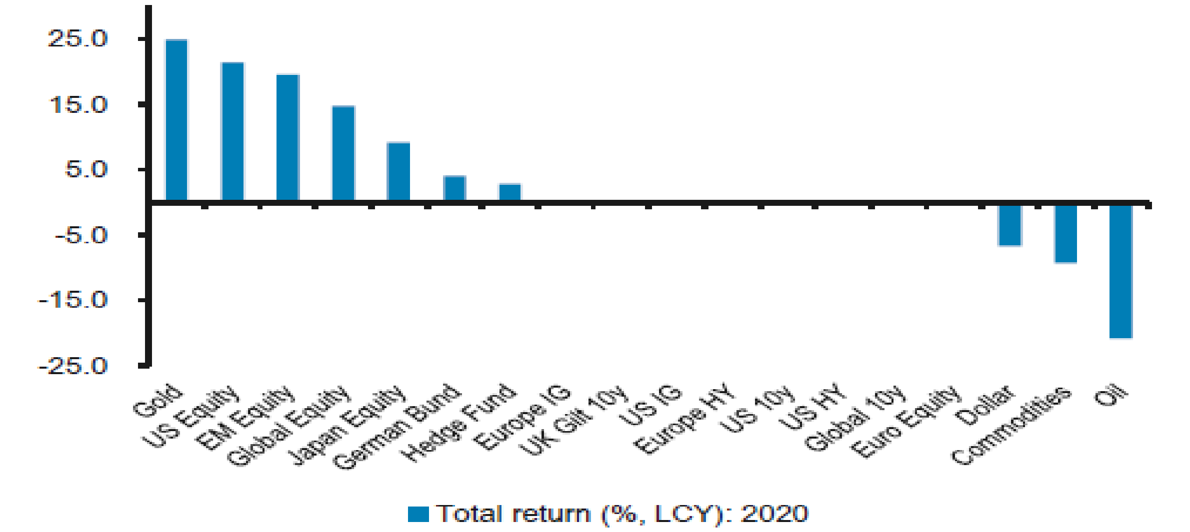
**UK Sector Total Returns: 3 months to 31st December 2020**




*Source: Refinitiv Eikon*

Given the huge economic and social challenges the world faced in 2020 and into 2021 it is remarkable to observe that the MSCI World index ended the year at record highs, driven by the US and large tech in particular. It wasn't just the US market which boomed, all other major equity markets with the exception of Europe / UK produced positive returns whilst bond markets broadly flatlined. Commodities were a very mixed bag with gold and iron ore performing strongly, whilst the oil price was down 20% as the sector buckled under the challenge of a low carbon future.

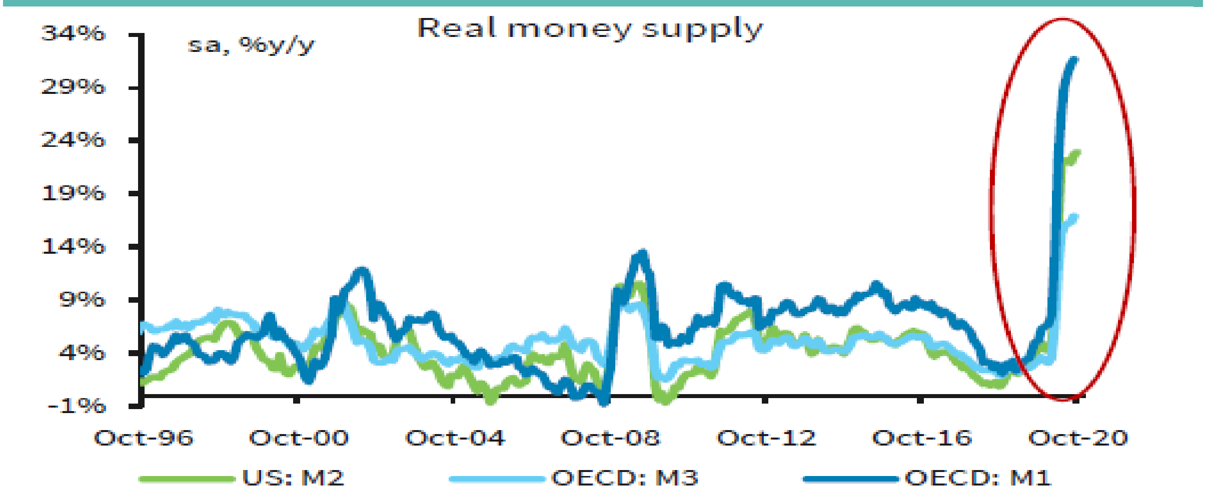
**Asset Class Returns 2020**




*Source: Barclays Economics Research*

However, when one looks at markets in a longer-term context then it is difficult to conclude that they are anything other than expensive and liquidity remains a key driver of returns. The COVID pandemic has led to a wall of central bank liquidity the likes of which we have rarely seen, and global markets have responded positively to this. The chart below shows the expansion of real money supply globally. The current response supersedes anything we have seen before, materially surpassing the response post the GFC.

**OECD Money Real Money Supply**

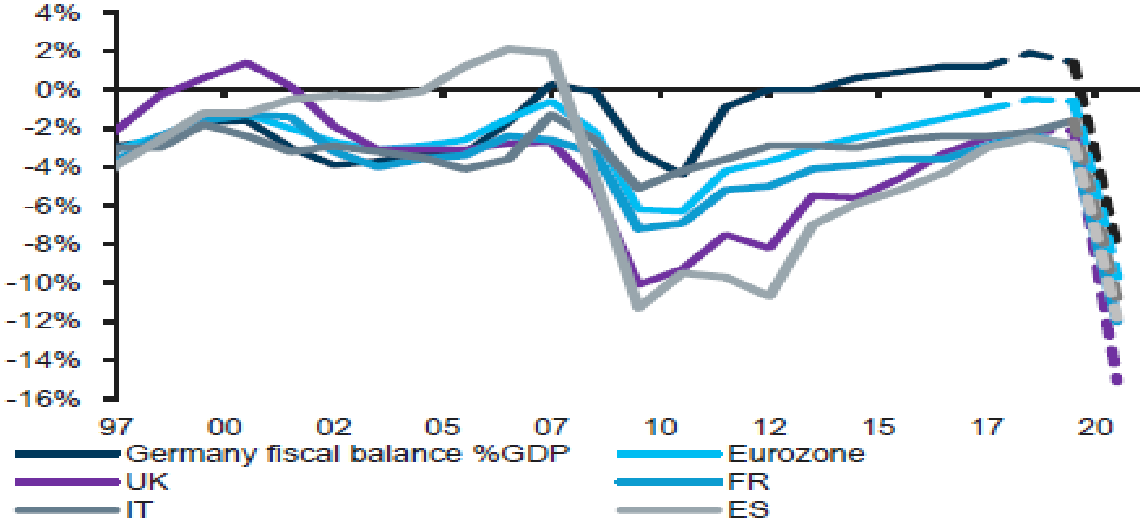



*Source: Barclays Research, Datastream*

Analysis of the COVID pandemic is beyond the scope of this review and our own competences. However, the equity market appears to be conveniently ignoring the current waves of infections and lockdowns and is rising as quickly as the pandemic worsens. As always markets are taking a view beyond the immediate future. We can only conclude that the vaccines currently being rolled out had better work, and work quickly!

Moving closer to home it is fair to say that the UK and its government have not had a good crisis and the economic impacts are plain to see, with the UK amongst the worst impacted of the leading economies. Whilst all governments have paid a terrible price in terms of public finances and support packages as a result of COVID, the UK is worst affected with a deficit of 15% of GDP this year and overall debt rising to above 100% of GDP.

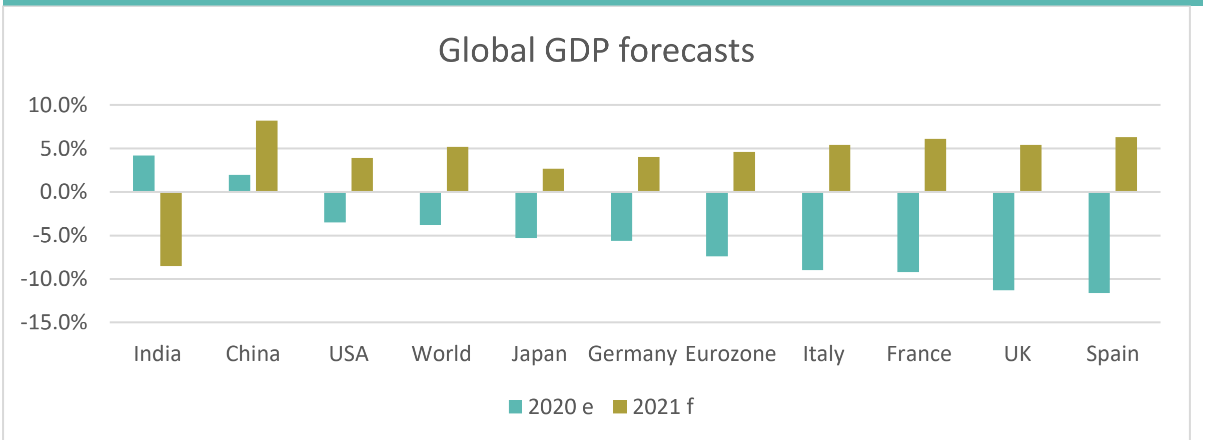
**European Government Deficits**




*Source: Barclays Economic Research*

The 11% GDP fall expected in 2020 is the worst year since records began in 1710! The rebound forecast for 2021 also appears muted leading to meaningful contraction in activity over the two-year period. The chart below ranks leading economies by 2020 GDP expected, with the UK and Spain right at the bottom of the list.

**Global GDP Outlook**



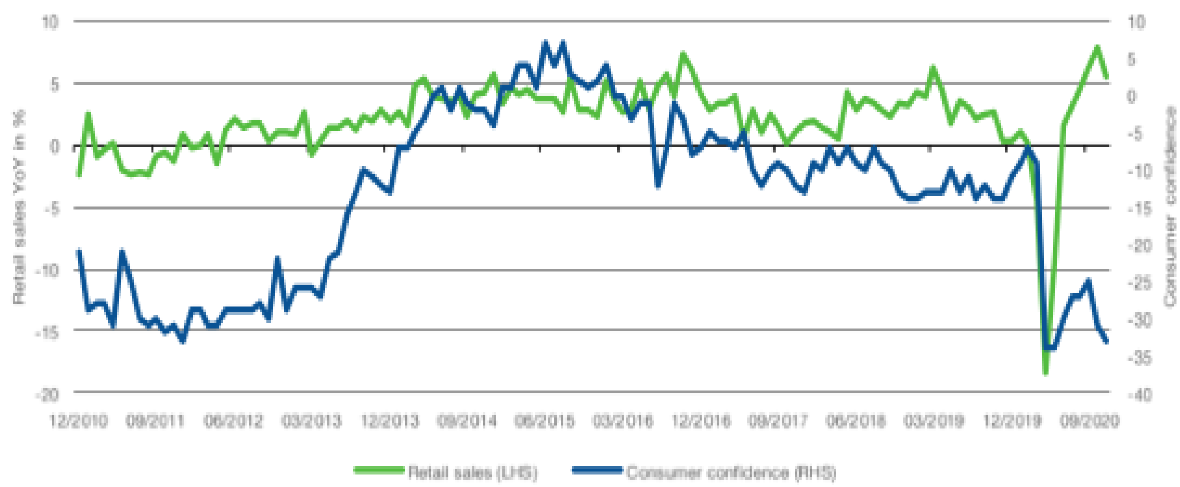

*Source: Bloomberg*

In the UK we have been spared the ignominy of a "no deal" Brexit but since this was avoided only at the very last moment, we must prepare ourselves for some short-term disruption in trade between the UK and our European neighbours as businesses adjust to the new reality. However, the consensually negative comment around this deal makes us think that there could be scope for upside, particularly when one considers the UK's strong positions in sectors such as healthcare, technology and financial services.

There are some shorter-term silver linings too. Whilst overall consumer confidence remains very weak the savings ratio in the UK has jumped from 6.5% in 2019 to 19.4% in 2020. If this were to fall back to more normal levels then it would likely lead to a hefty boost to the economy it is certainly a possibility that as more and more people are inoculated against COVID then that level of confidence will again begin to rise.

The strength in both house prices and retail sales of late have confounded the critics. House prices have been helped along by the stamp duty holiday as well as the more structural supply/demand imbalance and the desire for outside space. When added to the savings ratio these factors suggest fairly strong levels of pent-up demand as and when we escape the clutches of COVID and confidence returns. What we have learned from previous lockdowns is that once the restrictions are eased the consumer wants to spend.

**UK Retail Sales and Consumer Confidence**



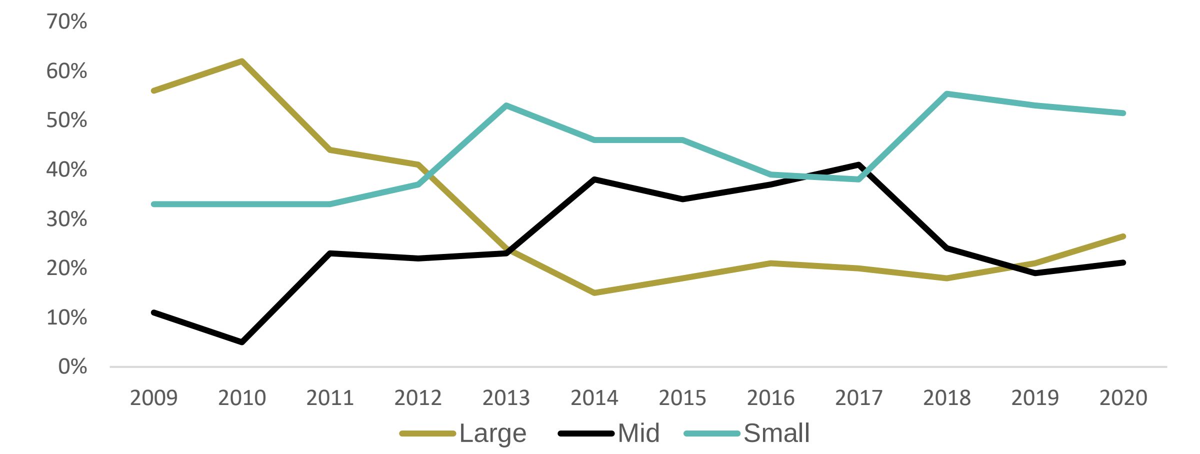

*Source: Liberum, Bloomberg*

## Portfolio Review

The portfolio has a 'multi cap' structure with high exposure to small and mid-cap companies, which make up 73% of the portfolio. The focussed nature of the portfolio means that the Fund has a high active share at 92%. This strategic positioning has been beneficial to our results over the years as well as offering considerable long-term flexibility.

The Fund's flexible, multicap structure remains in place with a meaningful exposure to small caps at its core, currently at 51% of the Fund.

## TB Saracen UK Alpha Fund – Historic Asset Mix by Size



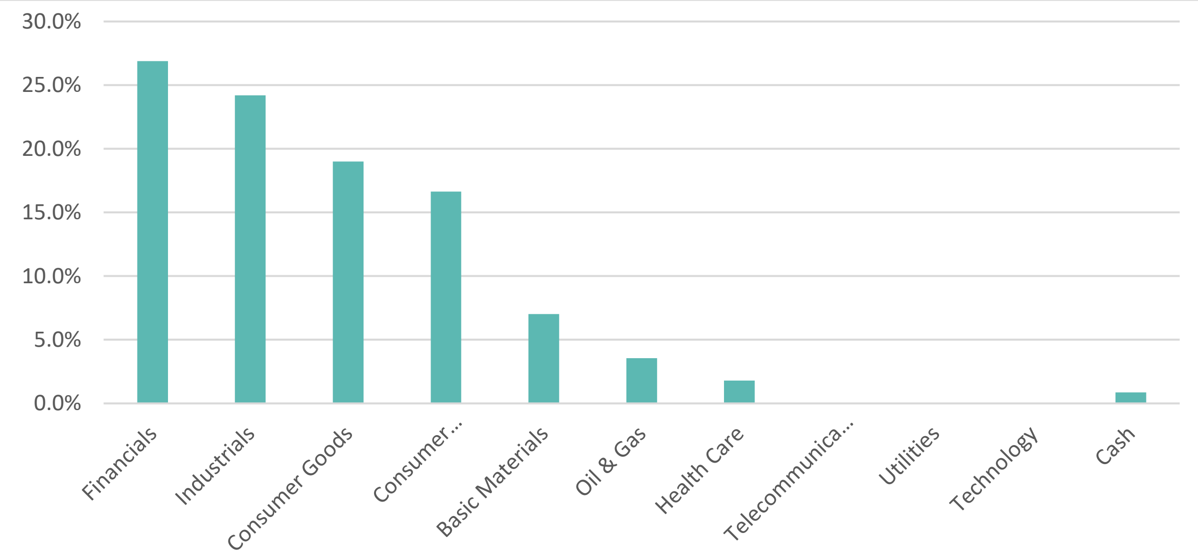

*Source: Saracen Fund Managers as of 31st December 2020*

We were again very pleased to report a strong quarter for the Alpha fund. We have long argued that a number of our portfolio holdings were simply too cheap and all it took was the catalyst of the announcement of a workable vaccine to let market participants feel comfortable in looking through 2020 and into 2021 and beyond with more confidence. It was this confidence which led to the re-rating of a number of small and mid-cap stocks to the benefit of the fund.

We remain very positive on the smaller end of the market where we believe that much better opportunities can be found and where forward valuations are generally much less demanding than those large and especially mid cap stocks.

The sector chart below illustrates the relative positioning of the Alpha fund currently, with its very limited exposure to those normally defensive sectors and higher exposure to industrials and financials, which tend to be more domestically orientated and, in the case of the industrial companies that we hold, predominantly small and mid-cap stocks.

## TB Saracen UK Alpha: Sector Weights

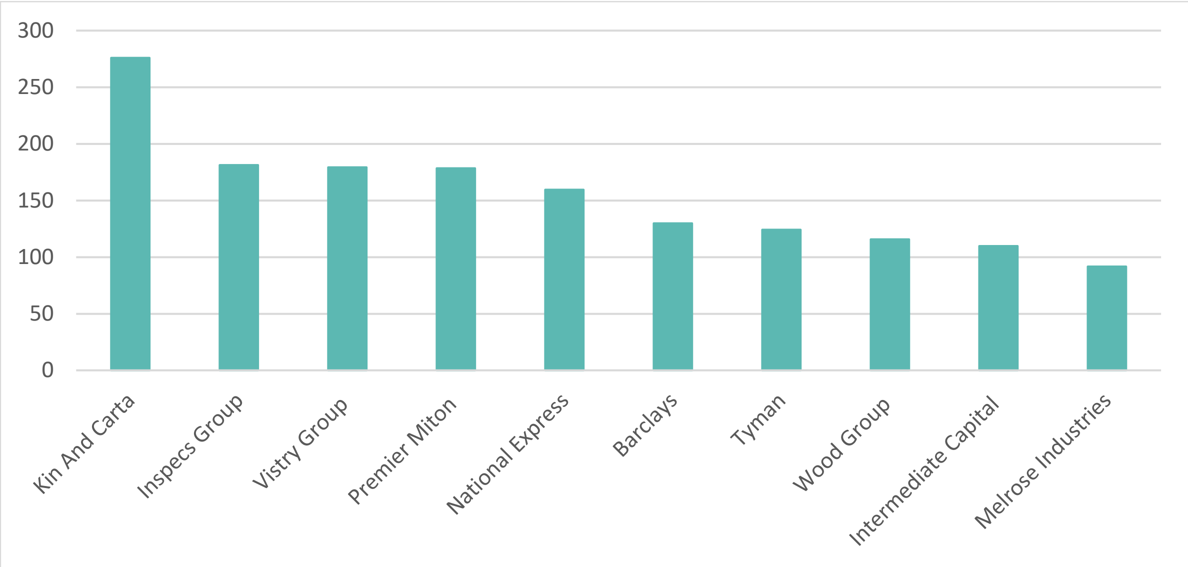



*Source: Saracen Fund Managers as at 31st December 2020*

**Positive Contributors**

There were a number of stocks whose performance contributed towards the outperformance of the Fund over the quarter, most notably amongst our smaller company investments.

TB Saracen UK Alpha: Q4 Positive Attribution (bps)




The strongest performer in terms of contribution to return was **Kin+Carta** (+119%), who delivered strong results and announced the completion of their transformation to digital. They also suggested that they were very well placed to benefit from the increasing number of enquiries for their services as a result of the COVID pandemic.

**Vistry** (+65%) too began to appreciate well again after a brief hiatus. This was sparked by several announcements detailing that the merger had gone very well and that debt levels were coming down faster than anticipated. Our holding in **Inspecs** (+65%) moved swiftly ahead with the announcement that it had made a large European acquisition which could very well prove to be transformational. **Premier Miton** (+60%) reported that funds flow to its operations had returned to positive territory following the merger and that most of its products were generally performing well.

**Tyman** (+58%) continued its recent run of performance as a result of market participants re-evaluating the group's prospects on the back of a good set of interims and further reductions in debt.

Following the confirmation of the appointment of a new CEO and a positive trading statement **National Express** (+55%) also had a positive quarter. **Melrose** (+54%) issued a trading update at the tail end of November saying that it expected revenues and profits were trading at the top end of the Board's expectations. They made particular reference to the faster than expected recovery in automotive markets and the relatively stable conditions in their aerospace division.

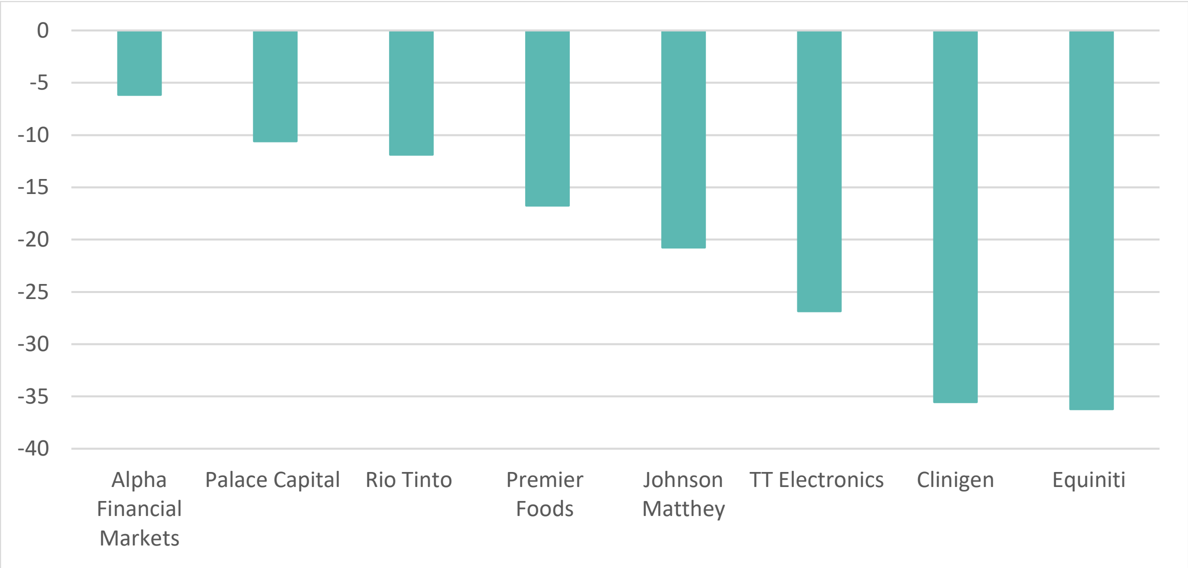
We have long been of the view that **Barclays** (+50%) is one of the cheaper banks in the UK and it seems now that the rest of the market is coming round to our point of view. The Bank of England announced that it was extending its zero-capital buffer in order to keep encouraging banks to lend and the fact that a “no deal” Brexit has been avoided all added to the general enthusiasm for the already cheap stock.

In the retail sector **Halfords** (+47%) continued to perform well as sales of bicycles and were robust and their shops and garages remained open during all the lockdowns. **Intermediate Capital** (+46%) reasserted itself following its announcement of interim results which demonstrated profit before tax to be up some 29% on the previous year and assets under management up €2.6bn to €46.1bn as well as some very strong investment performance.

## Negative Contributors

As mentioned, we have been encouraged by the performance of the portfolio over the quarter but despite this there were a few stocks that struggled a little. In fact, there were only three who posted real negative returns.

TB Saracen UK Alpha: Q4 Negative Attribution (bps)




**Clinigen** (-3%) has disappointed in terms of its share price performance of late as indeed it did in quarter three. However, results have been steady and if management can bring debt down as it plans and rollout its new products on schedule then the stock is materially undervalued. It would be churlish not to admit that there is some operational risk with this company, but on balance, we believe that the risks are more than reflected in the share price. Another bit of a bugbear for the fund is **Equiniti** (-3%) which has struggled as a result of the low levels of corporate activity as well as low interest rates. However, the group managed to effect the sale of its HR and Payroll business during the period which was well received and simplifies the business somewhat.

**FRP Advisory** (-2%) is a new holding for the Alpha fund and as such, did not capture the performance that the company endured over the quarter. This is a business that specialises in restructuring advisory services including being appointed as administrators to poorly performing businesses. This is a strong company with a robust balance sheet and excellent prospects for the future in a continuing uncertain environment for all manner of companies across all sectors of the economy. We expect much of this holding in due course.

## Portfolio Activity

The fund has 35 investments which are spread across a variety of market capitalisations. As of 31st December 2020, the breakdown of the portfolio by size was 26% in large cap, 21% in midcap and 51% in small cap/other. The Fund is currently fully invested with only 2% cash.

### Purchases

There were two new investments made during the quarter and, as usual, there was some trimming of holdings as we locked in some performance and we also added to some holdings that we felt had been somewhat left behind unfairly.

We bought **TT Electronics** in October. This is a provider of engineered electronics solutions for performance critical applications and works across a diverse variety of sectors. The company has a high and growing exposure to defence and medtech, and a lot of exposure to data and industrial automation, all of which should in time drive a better rating for the shares.

We also invested in **FRP Advisory** as we mentioned above. This is an excellent business that has not been on the market all that long. We are firmly of the view that the company will benefit meaningfully when the Chancellor's support measures such as the furlough scheme cease, and business is forced to return to normal. Unfortunately, there will be corporate casualties of this and FRP are well placed to benefit.

During the quarter we added to **Mattioli Woods**, **Inspecs** and **Wood Group** all in October. This meant that we captured much of the strong performance of these companies over the quarter. In all cases we felt that the shares simply did not reflect the considerable value creation potential inherent in these groups.

### Sales

The fund made no outright divestments during the quarter as the managers remained confident both of the underlying quality and potential for the portfolio. However, there were some sharp price moves in the period and we took advantage of some of these locking in some excellent performance from **Kin+Carta** and **Melrose**.

In addition, we trimmed our holding in **Synthomer** as it announced that it was raising its guidance for EBITDA which prompted a very strong run in the share price. Elsewhere, we also took some profits in **National Express** which is coping well with the various lockdowns and, in share price terms, has done well of late.

## Investment Approach

The TB Saracen UK Alpha Fund's investment objective is to achieve a long-term total return above the total return of the MSCI UK All Cap Index.

We have a focussed portfolio of 33 quoted UK companies making up a 'best ideas' fund with a very high active share, currently at 92%. We generally ignore index construction considerations and each position within the portfolio must be meaningful enough to make a difference to shareholder returns. Our approach is 'multi-cap' with significant investments in smaller and medium sized companies and correspondingly limited exposure to the largest companies found in most UK equity portfolios. Mid and small caps are currently 69% of the fund with large companies at 30% and cash 1%

We like to be patient shareholders in businesses and invest for the long-term. If the underlying business is performing as we expect and the valuation is palatable, we remain invested. Stock prices can be volatile in the short-term and we take advantage of this by adding to existing holdings if prices weaken and trimming large positions if valuations get out of kilter at any point. Valuation is key in every decision we make.

We spend very little time responding to what is in the news or analysing economic data. Most macro factors are unpredictable and volatile in our experience. Instead, our time is spent searching for companies which the fund can invest in. These companies will fall into one of the following categories:

**Core growth (41%* of portfolio assets)**

We would expect the largest component of the fund's assets to be held in core growth companies, businesses which can deliver consistently strong compound earnings growth rates over a long-time period, allowing us to hold them for many years to come. The exposure to this segment has reduced from nearer 60% in early 2018 due to the scarcity value and high ratings being applied to growth companies, which led us to take profits in various holdings.

**Special situations (27%* of portfolio assets)**

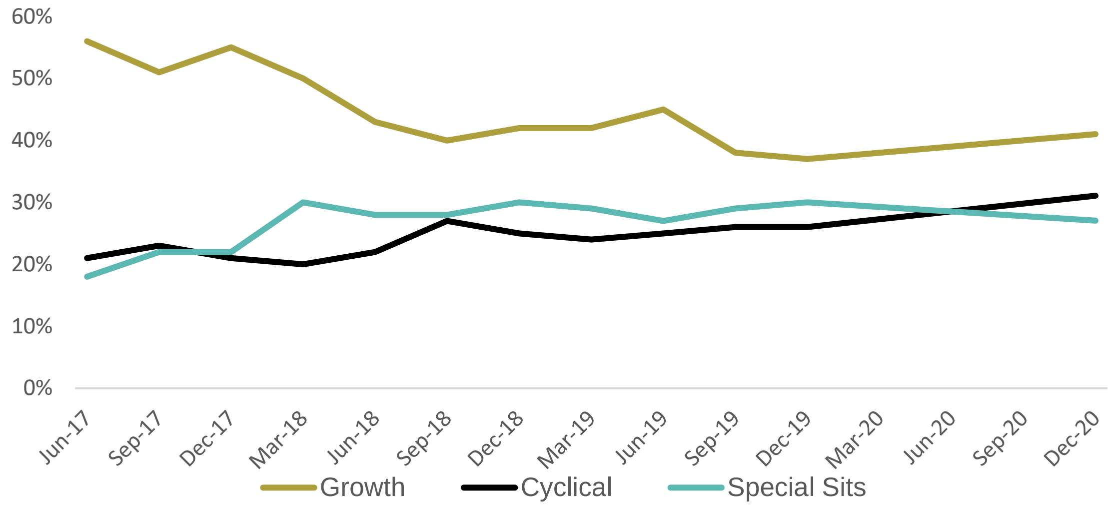
The special situations investments are businesses where the long-term prospects may not be sparkling but where we see significant catalysts for change. These catalysts would include new management and takeover / breakup potential. During 2018, we saw takeover bids for four portfolio companies, but we only had one in 2019, IFG Group. Patience is often required with this approach, but it can be highly rewarding if executed well. This type of investment should be able to perform even in challenging stock market conditions.

**Cyclical recovery (31%* of portfolio assets)**

The final group are good quality, cyclical businesses where we recognise that economic conditions may not always be ideal, but the company has sufficient strength of management and balance sheet to justify an investment.

**asset mix shown as at 31st December 2020, source Saracen Fund Managers*

**TB Saracen UK Alpha Fund Style Breakdown**



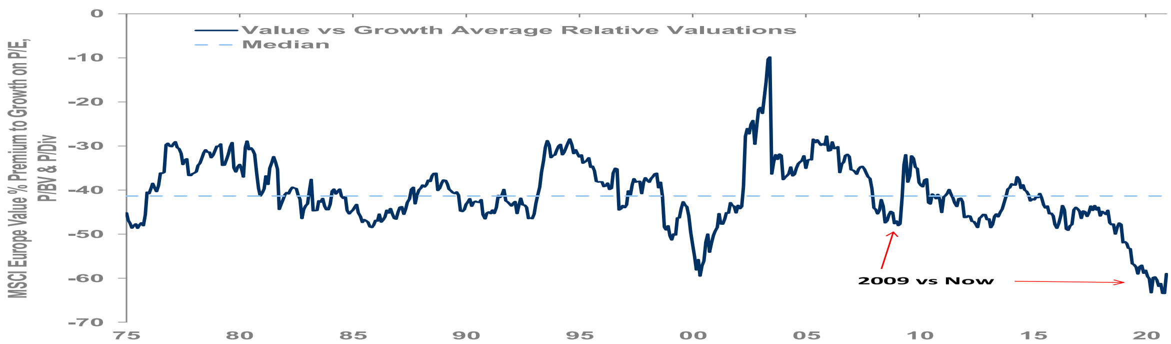

*Source: Saracen Fund Managers 31st December 2020*

With this structure in place the Fund is designed to be style agnostic and is able to take advantage of both 'value' and 'growth' opportunities when they arise. Following the recent rally in value stocks in the UK it would be fair to say that there are less opportunities in the value arena now than before, but they are still there.

## Outlook

We have been gratified to see that the pendulum in the growth vs value debate has swung a bit more in favour of value in the short term. Given that value traditionally outperforms at the start of a new economic cycle, perhaps it is logical to compare the current set up to 2009. Back then European value stocks outperformed growth names by 24% between March and September before starting a long-term period of persistent underperformance for the next decade. There are a few reasons why the current set up may be better for value now than back in 2009 namely that this year's shift towards more active and dynamic use of fiscal policy likely signals a greater focus among policymakers on lifting nominal economic growth.

**MSCI Europe: Value v Growth**




*Source: MSCI, Morgan Stanley Research*

It is important that we do not get too carried away especially in the short term. After the recent value rally, it would come as no surprise were the more growth-oriented stocks with fuller valuations staged something of a comeback early in 2021. However, in a longer-term context value still looks very depressed and the macro backdrop remains supportive with economic surprise indicators close to all-time highs both globally and in Europe.

In addition, this year's shift towards more active and dynamic use of fiscal policy may signal a greater focus among policymakers on lifting nominal economic growth. The scope for further monetary policy easing to undermine the case for value is much more muted now. Also, we have just seen two years of persistent outflows from value funds.

We shall keep our comments on COVID brief as the situation is evolving rapidly as we write.

There are now three vaccines in circulation, another six with limited approvals and nineteen in phase 3 trials. These offer a great deal of light at the end of a painful tunnel and real grounds for optimism. However, we believe that any optimism should be tinged with some caution.

It is a racing certainty that there will be problems deploying the vaccines. It is very likely that there will be others added to the three we are currently aware of. There are, after all, more than 320 projects under way with dozens in clinical trials. Certifying, distributing, manufacturing and administering billions of doses of competing vaccines will be no trivial undertaking.

It is unknown just how much lasting damage the pandemic has done as it has slowed economic activity, shut down some firms and increased unemployment. The full impact has been obscured by massive government intervention to bail out companies and support workers. When that support is lifted only then will we see the full extent of the damage.

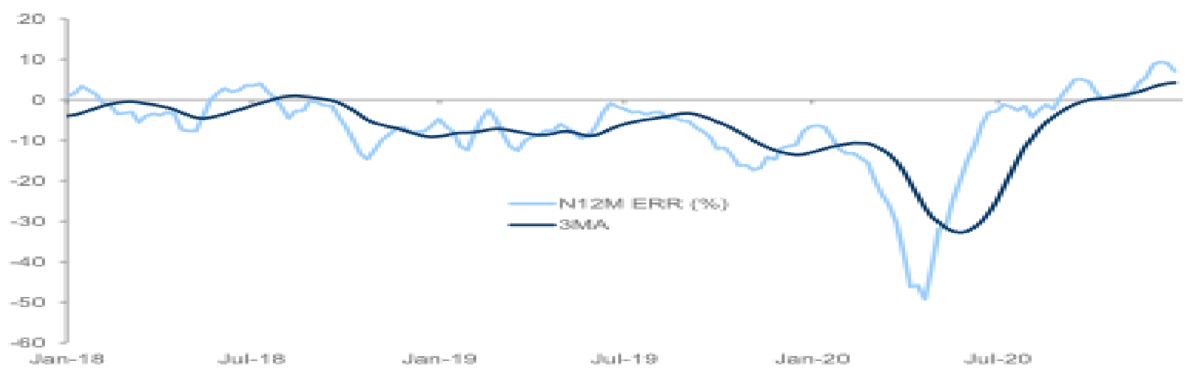
At that point the authorities must decide what their response should be. It seems unlikely that interest rates will rise any time soon in the developed world. Indeed, they may go negative in some territories. The real dilemma will be in fiscal policy. Too rapid a return to fiscal austerity is a risk as governments fret about deficits. Since there is unlikely to be any significant change in monetary policy, the effect of tax and spending decisions will be amplified and we should perhaps keep a closer eye on the actions of the Finance Ministers than on those of Central Banks. With labour intensive industries such as physical retail and hospitality both suffering from social distancing regulations and the rise of working from home, joblessness is likely to remain stubbornly high through 2021.

However, at the current time it does not seem unrealistic to think that by the end of 2021 the UK economy will have made up a great deal of the ground it lost in 2020. It will be an economy enduring higher unemployment, very much more government debt and other scars that may take years to heal.

We have spoken before about the likelihood of a pick-up in M&A activity as a result of low valuations in the UK and the fact that potential private equity suitors have a great deal of cash to deploy. We feel certain that 2021 will continue the pattern of 2020 and we will see more takeovers along the lines of RSA, G4S and McCarthy & Stone last year to name but a few.

We remain generally positive on the UK market given that it has been somewhat oversold versus other European markets and also because earnings revisions have strayed into positive territory and look set to stay there.

**MSCI UK Earnings Revision Ratio**




*Source: MSCI, IBES, Morgan Stanley Research*

These revisions have come about as the market has grown more sanguine about company prospects through 2021. You may recall that in our September 2020 Quarterly Review we wrote that we had broadly characterised the portfolio into three key earnings segments:

1) largely unaffected
2) recovery potential
3) structurally challenged.

The chart below was our assessment of all of our portfolio holdings.

| Largely unaffected | Recovery Potential | | Structural ? |
|---|---|---|---|
| Alpha Financial Markets Consulting | Barclays | Kin & Carta | Melrose |
| Chemring | DFS Furniture | MJ Gleeson | National Express |
| Clinigen | Equiniti | Premier Miton | Palace Capital |
| DiscoverIE | Eurocell | Prudential | U&I Group |
| Intermediate Capital | Euromoney | Restore | |
| Imperial Brands | Halfords | Standard Life Aberdeen | |
| Marlowe | Inspecs | STV | |
| Mattioli Woods | Johnson Matthey | Tyman | |
| Premier Foods | (John) Wood | Vistry | |
| Rio Tinto | | | |
| Synthomer | | | |
| **37% of Fund** | **53% of Fund** | | **10% of Fund** |

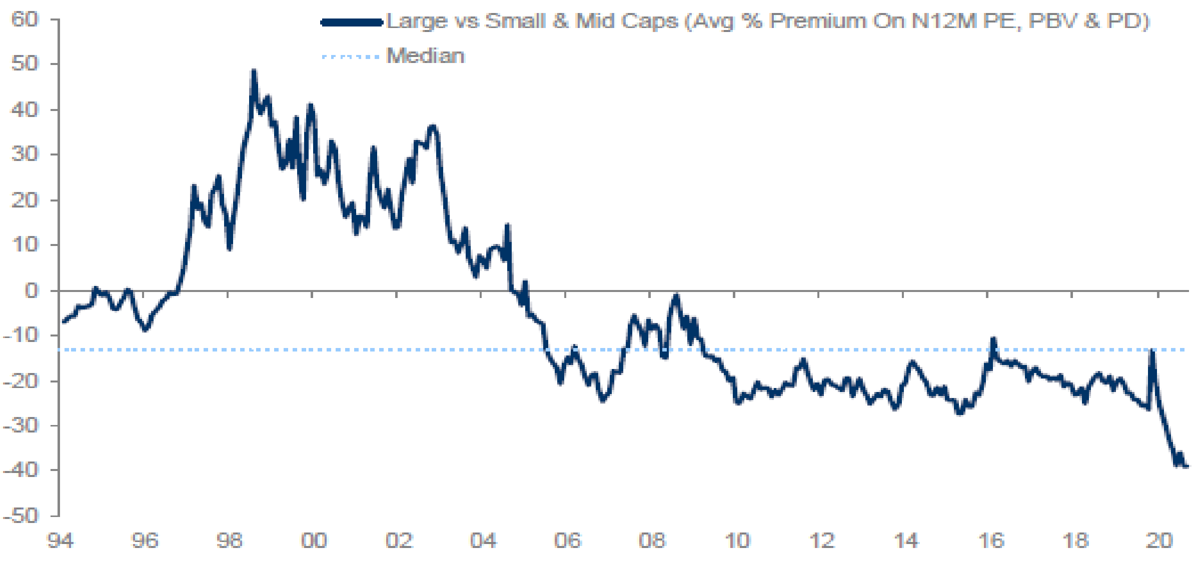
More than half of the Fund by value we deemed to have clear earnings and share price recovery potential and it was to this section where we looked to add new ideas or increase our investments. These typically had very low valuations compared to their history, particularly when we look beyond the disruption seen in 2020.

The vast majority of the companies that we identified in September as “Largely Unaffected” or as having “Recovery Potential” performed strongly through Q4.

However, we cannot ignore the fact that the latest COVID wave has been particularly powerful in the UK compared to other European countries and that this will certainly have an impact on economic activity especially in the near term.

We have enjoyed a meaningful recovery in SMID indices during the past nine months (and in AIM particularly) and this accelerated during Q4 as Brexit was finally done and we saw some sterling strength. The clear valuation discount that we observed previously has now closed to a large extent (see below) but we do still detect good value to be had the further down the market capitalisations we go. In general UK smaller companies exhibit higher levels of domestic exposure and cyclicality but we do regard many of our smaller holdings as very well placed to continue their recovery assuming we enter a degree of post-COVID normality in 2021. We have reduced our exposure to midcap companies as 2020 concluded and regard this part of the market as somewhat overowned and overloved in general terms. The largest valuation anomalies going forward we see in both the largest and smallest companies within the Fund.

**UK Large v SMID – Average Valuation Premium**




*Source: MSCI, IBES, Morgan Stanley Research*

The COVID 19 crisis will have many long-term implications for society, the economy and financial markets over the long run and it would be remiss of us not to consider these when constructing our investment strategies.

The most obvious point is that there is much more debt in the system. Public and private (mostly corporate) levels have surged which may end up exaggerating secular imbalances. We know that interest rates will remain low and governments have less room to manoeuvre and face a dilemma on when to taper the support schemes that kept many businesses and households afloat. While a rebound in earnings should help bring back corporate leverage in 2021 debt heavy balance sheets may reduce the ability of companies to invest.

The COVID crisis has increased GDP growth dispersion across all nations. Protectionism is on the rise as are populism and social unrest. With Brexit now behind us, a new relationship is starting between the UK and the EU, with many unknowns.

ESG funds have performed well and saw strong inflows during 2020. This is perhaps an acknowledgement that the virus has reinforced the realisation that business and investment should contribute to human well-being and sustainability. A Biden presidency may well boost demand for clean energy stocks with the US due to re-join the Paris Agreement. ESG considerations are now mainstream and the view we have been taking at Saracen is that strong green credentials are well and good but we are much more interested in those companies that are working to improve those credentials though they may be viewed as less than perfect at present. Herein lies opportunity, we believe.

## Conclusion

If there is one thing that 2020 proved it is that it really doesn't do to be too confident in one's forecasts. Few market participants could have seen how the world was going to change in the course of a few short months.

At Saracen we have long been advocates of taking the long view not only in terms of holding periods but also in terms of not putting too much weight on near term earnings. As many readers will know, we routinely forecast cash flows, balance sheets and income statements forward five years. That these forecasts will be incorrect is a given, but they are illustrative when seeking to assess longer term value and not focus overtly on near term multiples.

In our conversations with company managements, we have been impressed with the resilience and speed of recovery of many of our holdings both in operational and share price terms. As a result, we believe that valuations in a number of stocks, especially in the Mid250 index have been driven a little too much in the short term.

This belief has been reflected in the balance of the fund which has shifted a little over the past month away from some of the more expensive stocks into small caps and FTSE100 stocks that have been left behind.

This is more of a tactical consideration rather than a fundamental shift in strategy. We remain of the belief that opportunities for successful long-term investment in the UK market lie at the lower end of the market capitalisation scale.

There is little doubt that forecast risk in the UK remains high, especially for 2021, and that some industries, such as travel and leisure have been fundamentally altered by the events of 2020. But that too provides opportunity for the canny investor.

We might speculate where we might be at the end of Q1 2021 as we enter it. We may hope that any teething troubles associated with the new trading rules as a result of Brexit may have been sorted out. President Biden will have been sworn in and will be nearing the end of his first 100 days in office so we may have a feel for the directions his administration will take.

More vaccines will have been administered globally and we might hope that the worst effects of the pandemic are behind us.

Naturally, this is to say nothing of any new, unforecastable challenges that may emerge over the course of the quarter.

In the meantime, we once again thank you for your continued support and wish you and your families good health.

**David Clark**
**Scott McKenzie**
**11th January 2021**

**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. 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.saracenfundmanagers.com. Issued by Saracen Fund Managers Ltd, 19 Rutland Square, Edinburgh, EH1 2BB, authorised and regulated by the Financial Conduct Authority. Registered in Scotland No. 180545.**

**Risk factors you should consider before investing:**
**Past performance is not a guide to future performance. 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. 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 Factsheet is for professional Investors only.**

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**Custodian – The Northern Trust Company, 50 Bank Street, Canary Wharf, London, E14 5NT**

**Depositary – NatWest Bank PLC, 135 Bishopsgate, London, EC2M 3UR**

**Regulatory Status:**
**FCA Recognised: Yes**
**Scheme Type: OEIC**

**Issue date – 11th January 2020**