

# TB Saracen Global Income and Growth Fund

February 2020

**SARACEN**  
share success

Signatory of:  
**PRI** Principles for Responsible Investment



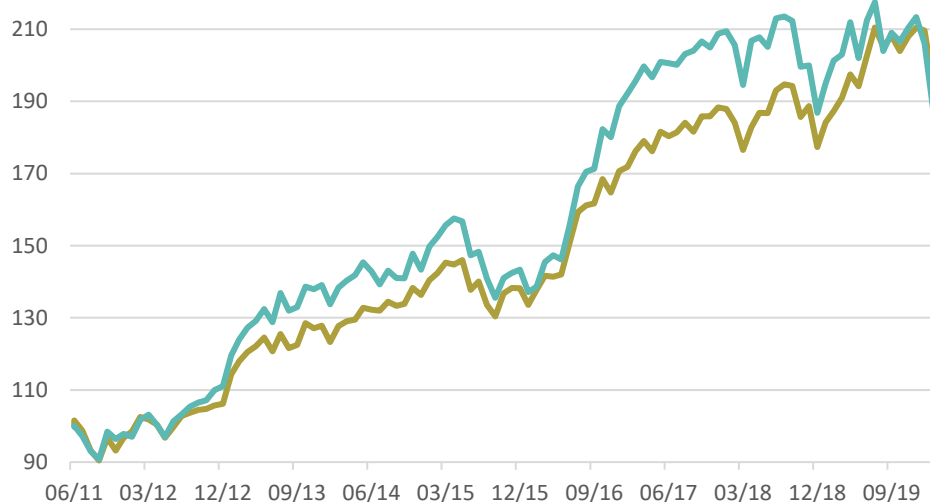
## Fund Overview

- 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 28th February 2020

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 28 February 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB SGIG B Acc</b>	-8.6%	-10.4%	-6.4%	-3.7%	+23.6%	+88.8%
<b>Sector Average</b>	-6.7%	-6.0%	+4.3%	+10.9%	+37.2%	+95.5%
<b>Quartile Ranking</b>	4	4	4	4	4	3

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 28<sup>th</sup> February 2020)

**Fund size:** £101m  
**Launch date:** 07/06/11  
**Historic yield:** 4.7%

**No. of holdings:** 43  
**Active share:** 95%  
**Beta:** 1.0

Source: Bloomberg as at 28/02/20

**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:** 188.24p  
**B Distribution:** 144.08p

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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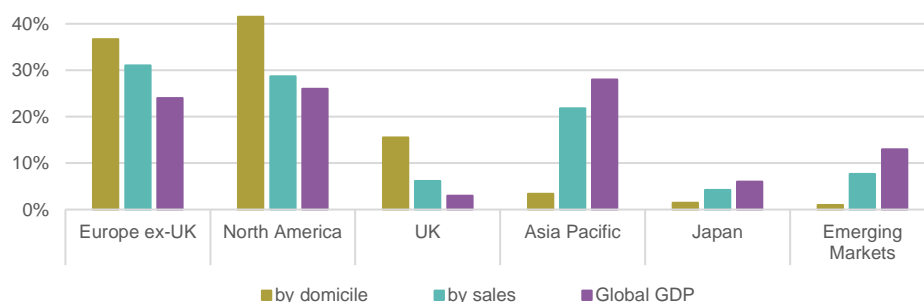
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Principles for Responsible Investment



## Fund Breakdown by Geography



Data as of 28<sup>th</sup> February 2020, Source: Bloomberg/Saracen Fund Managers

## Monthly Commentary

### Performance

Global equities suffered the steepest drawdown in history towards the end of the month on coronavirus-led fears with the US 10-year Treasury yield hitting a new low. The extreme 'risk off' environment was a headwind to Fund performance. Whilst the Corona virus has created uncertainty for both businesses and investors, the impact on global growth will hopefully be contained to H1 2020. A globally co-ordinated response of further monetary easing, provision of liquidity and fiscal stimulus should see growth rebound in the second half of 2020.

The valuation anomalies in the market that we have highlighted for some time now have widened in the first couple of months of 2020. The result is that the fund has never been cheaper (trading on 10.4X year 1 PER and forecast 5.2% dividend yield – source: Bloomberg). We consider many of our holdings to be materially undervalued. This month, the total return for TB SGIG was -8.6%, compared to -6.7% for the IA Global Equity Income sector.

### FX

Currency movements had a positive impact on the fund's performance. Sterling was down between 1.5% and 2% against the against all major currencies.

### Positives

Our principal focus is on investing in companies that can sustainably grow their dividends over the long-term. It was pleasing to see many of our companies not only reported solid Q4 results but also increased their dividends. For example, Philip Morris Intl, which yields 6%, increased its dividend by 3%. AXA, which yields 7% increased its dividend by 7%. Even BP which yields 8% increased its quarterly dividend by 2.4%. There are many more examples including Barclays (+39% dividend increase) and DBS (+10%). The high starting yield on the fund plus underlying growth in dividend should lead to an attractive total return to our clients over the long-term.

### Negatives

Given the market backdrop, many of our holdings had a difficult month particularly those in the Oil (Schlumberger), Financial (Allied Irish Bank) and travel sector (Carnival and Sabre).

### Portfolio Activity

There were no changes to our portfolio holdings during the month. As usual, we tend to be more active during times of market dislocation and are busy refreshing templates across many geographies and sectors looking for new opportunities for the fund. During February, we topped up eBay and DuPont and reduced our weightings in HSBC and Schneider Electric.

## February – Attribution \*

Top Contributors	Positive
Svenska Handelsbanken	+0.17%
eBay	+0.05%
Phillip Morris International	+0.02%
Schneider	+0.01%
Top Detractors	Negative
Sabre	-0.49%
Intel	-0.48%
Imperial Brands	-0.46%
Allied Irish Bank	-0.42%
Schlumberger	-0.39%

\*Source: Bloomberg as at 28/02/20

## Fund Breakdown

Top 10 Holdings	
Philip Morris International	4.9%
IBM	4.2%
Roche	4.0%
Svenska Handelsbanken	3.7%
Saint Gobain	3.6%
DBS Group	3.5%
Intel Corporation	3.4%
Interpublic Group	3.3%
Johnson Matthey	3.3%
Imperial Brands	3.2%

Sector breakdown	
Financials	17.5%
Healthcare	16.9%
Technology	15.3%
Industrials	12.5%
Consumer Services	12.1%
Basic Materials	10.2%
Consumer Goods	9.4%
Oil & Gas	5.7%
Utilities	0.0%
Cash	0.4%

	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)  
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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.tbaileyfs.co.uk](http://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](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 – 28<sup>th</sup> February 2020**