

TB Saracen UK Alpha Fund

March 2020

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Signatory of:



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 20th 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 31st March 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 charges to 31st March 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
TB Saracen UK Alpha B Acc	-30.2%	-38.3%	-26.6%	-16.1%	-0.9%	453.6%
MSCI UK All Cap Index (TR)	-15.1%	-25.3%	-19.4%	-13.3%	1.5%	
Sector Average	-18.4%	-27.9%	-19.2%	-14.7%	-1.8%	170.3%
Quartile Ranking	4	4	4	3	2	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 31st March 2020)

Fund size: £9.2m
Launch date: 05/03/99

No. of holdings: 30
Active share: 93%
Source: Bloomberg

Denomination: GBP

Valuation point: 12 noon

Fund prices:

A Accumulation: 337.48p
B Accumulation: 553.62p

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

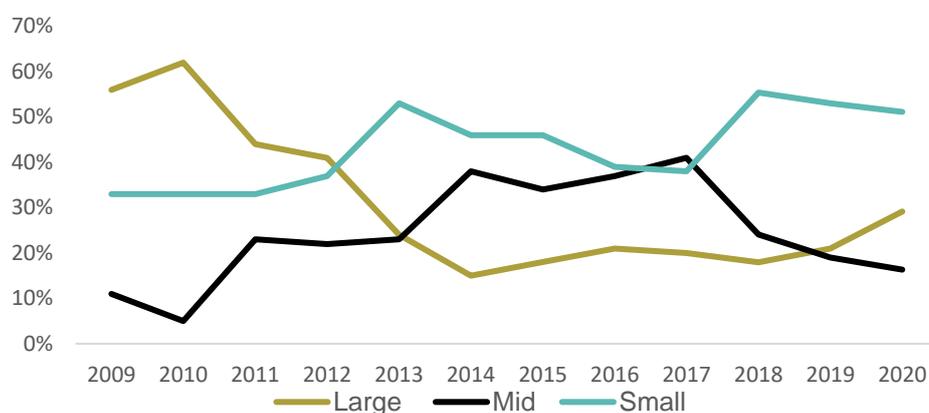
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Fund Breakdown by Market Capitalisation



Data as of 31st March 2020 Source: Saracen Fund Managers

Monthly Commentary

Market Background

March was a horrible month for equity markets with the coronavirus crisis taking hold on a worldwide scale, leading to lockdowns across the majority of affected countries. There were dramatic falls in global markets and extreme volatility across asset classes, with a collapse in the oil price, huge cuts to interest rates and enormous stimulus programmes being launched in response to the crisis. As the month drew to a close, we saw significant numbers of companies, both strong and weak, passing their forthcoming dividend payments.

Performance

It was a very damaging set of circumstances for the Fund which fell by 30.2%, lagging the UK index return of -15.1%. At a size level large companies held up significantly better with the FTSE100 falling by -13.4%, compared to -21.7% for the midcap and -20.7% for smaller companies.

Having enjoyed a strong 2019 the Fund was poorly positioned for the crisis. The key components of the weakness were our large positions in mid and smallcap (>70% of the Fund), our increased bias towards a value style in recent years and a sector mix which favoured financial and industrial businesses, with correspondingly very low or no exposure to defensive sectors such as food retail and utilities. We saw significant falls in many of the holdings, which were magnified by the focussed nature of the portfolio, with small company liquidity drying up in particular. Five holdings fell by more than 50% during the month – Vistry (our largest holding in February), U&I, Halfords, Wood Group and Melrose. Four of those businesses have already announced dividend suspensions in order to preserve cash.

Portfolio Activity

Two holdings were sold. Galliford Try was a small position in a business which has struggled in the past whilst Superdry was sold at a painful loss, with prospects bleak and losses increasingly likely in current conditions. We added to several holdings including Imperial Brands and Clinigen. The Fund has a cash balance of 3%.

March – Attribution *

Top Contributors	Positive
Rio Tinto	+0.19%
DiscoverIE	+0.02%
Top Detractors	Negative
Vistry Group	-2.66%
MJ Gleeson	-2.12%
Alpha FMC	-1.89%
Wood Group	-1.84%
U&I	-1.72%

*Source: Bloomberg as at 31/3/20

Fund Breakdown

Top 10 Holdings	
Standard Life Aberdeen	4.9%
Rio Tinto	4.7%
Synthomer	4.7%
Imperial Brands	4.5%
MJ Gleeson	4.4%
Equiniti	4.3%
Prudential	3.8%
DiscoverIE	3.8%
Chemring	3.7%
Barclays	3.5%

Sector breakdown	
Financials	27.1%
Industrials	26.7%
Consumer Goods	18.0%
Basic Materials	10.3%
Consumer Services	9.8%
Oil & Gas	3.3%
Healthcare	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

(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. 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 March 2020