

TB Saracen UK Income Fund

April 2020

SARACEN
share success

Signatory of:

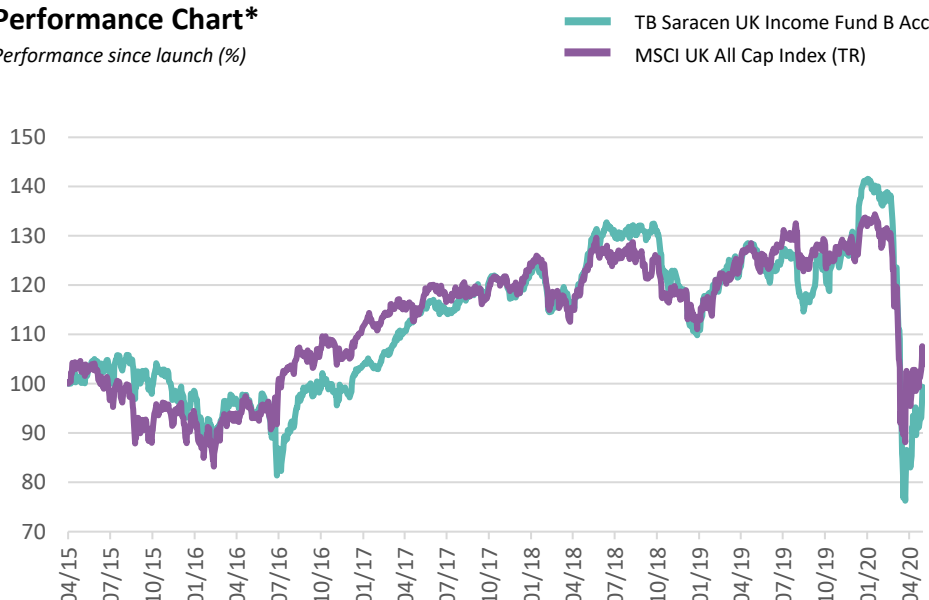


Fund Overview

- Objective: to provide income exceeding 110% of the dividend income of the MSCI All Cap index and an overall return (income plus capital growth) which is superior to that index. At least 80% of the fund will be invested in the shares of UK companies.
- 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.
- The investment philosophy is value-based, combining high yield and superior dividend growth strategies.
- A concentrated portfolio of 25-35 holdings, with a focus on high and growing dividend income.

Performance Chart*

Performance since launch (%)



*Source: Bloomberg, as at 30th April 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.

FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

FUND DETAILS

(as at 30th April 2020)

Fund size: £3.2m
Launch date: 01/04/15

Historic yield: 7.3%

No. of holdings: 30
Active share: 88%

Source: Bloomberg

Denomination: GBP

Valuation point: 12.00 noon

XD date: 2 Jan
1 July

Pay date: 28/29 Feb
31 Aug

Fund prices:

B Accumulation: 99.39p
B Distribution: 78.11p

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

ACD:

T. Bailey Fund Services Limited

Cumulative Performance after all charges to 30th April 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
TB Saracen UK Income B Acc	14.7%	-27.2%	-22.3%	-13.5%	-1.8%	-0.6%
MSCI UK All Cap Index (TR)	4.5%**	-19.3%	-17.9%	-9.0%	2.7%	5.5%
Sector Average	8.7%	-19.9%	-16.5%	-11.6%	0.5%	1.9%
Quartile Ranking	1	4	4	3	3	3

Source: Financial Express; * launch date 01 April 2015

Sector: IA Sector (UK Equity Income)

** Note – the MSCI AllCap Index fell by 2.5% after our 12 noon pricing point on 30th April 2020. Index returns shown are at market close.

Scott McKenzie
Fund Manager

David Clark
Fund Manager



Scott McKenzie joined Saracen in August 2014 and has managed the fund since launch. **David Clark** joined the team in March 2019. Both David and Scott have over 25 years' experience managing UK equity funds.

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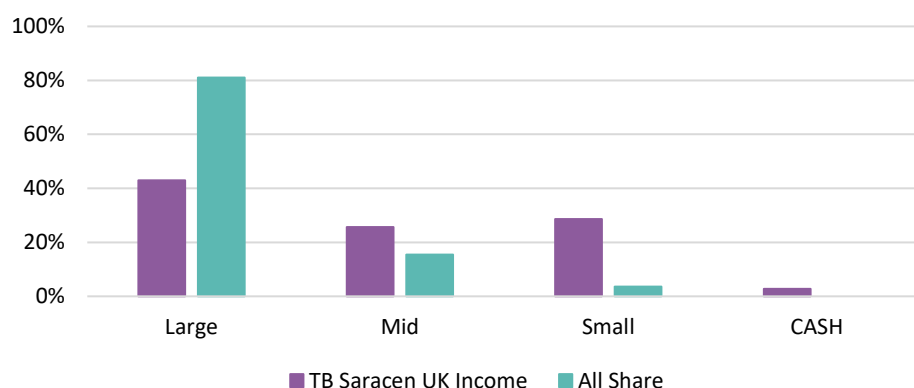
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Fund Breakdown by Market Capitalisation



Data as of 30th April 2020, Source: Saracen Fund Managers

Monthly Commentary

Market Background

After the difficulties of March, we were pleased to report some initial recovery in our fortunes during April. The coronavirus crisis continues unabated with the majority of affected countries still in lockdown and no clear end in sight. However, investors are beginning to adjust to a 'new normal' and look towards recovery of sorts in 2021. Whilst this could be premature it led to significant bounces in some value stocks and small and midcap companies in particular, all of which allowed the Fund to show some good recovery. Significant numbers of companies continued to cut or defer dividends in April, most notably Royal Dutch Shell, where dividends were cut by 66%.

Performance

Having suffered during March the Fund captured the market bounce and more, rising by 14.7% compared to the UK index return of 7.6% (adjusted for noon pricing). At a size level, mid and small cap indices enjoyed rallies of 9.2% and 10.1% respectively while the FTSE100 lagged considerably.

We had 10 stocks which recovered by more than 20%, albeit from very low bases, with the best recoveries seen in small and midcap businesses. FRP Advisory has been a star performer since its IPO and rose by 50% whilst adding to Vistry, Intermediate Capital and Halfords during March has also significantly improved performance during April. Alpha FMC had a strong recovery, rising by 54%. STV was our main laggard, falling 26% after holding up in March, whilst financials stocks in general continued to drag their feet, with Aviva, Close Brothers and Lloyds all lagging the market bounce.

Portfolio Activity & Outlook

Portfolio activity was modest in April as we focussed on capturing recovery from existing holdings. With the financials sectors slow to respond to the initial market rally we added to Phoenix, Jupiter and NewRiver REIT. The first two in particular we believe will continue to pay meaningful dividends going forward. We updated shareholders on our thoughts on dividend cuts at the end of March and our working assumption remains that our income payments will fall by around 35% during 2020. We are hopeful that 2021 will be a year where dividends could recover meaningfully, and we are working to ensure that the Fund is well placed to benefit if that is the case. Cash is currently 3%.

April – Attribution *

Top Contributors	Positive
FRP Advisory	+1.93%
Vistry Group	+1.68%
Alpha FMC	+1.45%
Halfords	+1.35%
Gateley	+1.05%
Top Detractors	Negative
STV Group	-1.23%
Aviva	-0.32%
Close Brothers	-0.22%
Eurocell	-0.19%
Headlam	-0.07%

*Source: Bloomberg as at 30/4/20

Fund Breakdown

Top 10 Holdings	
Imperial Brands	5.2%
Vistry Group	5.2%
FRP Advisory	5.0%
DS Smith	4.9%
Phoenix Group	4.8%
Rio Tinto	4.1%
Close Brothers	4.1%
Gateley	3.9%
Standard Life Aberdeen	3.6%
WPP	3.6%

Sector breakdown	
Financials	31.6%
Industrials	23.7%
Consumer Goods	13.5%
Consumer Services	11.8%
Basic Materials	11.0%
Oil & Gas	5.8%
Healthcare	0.0%
Telecoms	0.0%
Technology	0.0%
Utilities	0.0%

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual Charge	Ongoing**
B Acc Shares	GB00BW9H1K24	BW9H1K2	BBG008D4LJ68	SARUKIFACC33	0%	0.50%	1.36%
B Dis Shares	GB00BW9H1L31	BW9H1L3	BBG008D4LJF8	SARUKIFDIS33	0%	0.50%	1.36%

** 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.tbaileys.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 – 30th April 2020