

TB Saracen UK Alpha Fund

May 2020

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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 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 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.

Cumulative Performance after all charges to 29th May 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
TB Saracen UK Alpha B Acc	3.9%	-17.6%	-15.0%	-6.9%	7.1%	553.8%
MSCI UK All Cap Index (TR)	3.3%	-8.3%	-12.7%	-9.9%	4.8%	
Sector Average	2.9%	-7.4%	-9.3%	-7.8%	5.7%	150.2%
Quartile Ranking	2	4	4	2	2	1

Source: Financial Express; *launch date 05 March 1999

Sector: IA Sector (UK All Companies)

Note – MSCI AllCap Index returns shown are at market close whilst fund and sector returns are at noon pricing points. See commentary on page 2 for further detail.

FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

FUND DETAILS

(as at 29th May 2020)

Fund size: £10.6m
Launch date: 05/03/99

No. of holdings: 32
Active share: 93%
Source: Bloomberg

Denomination: GBP

Valuation point: 12 noon

Fund prices:

A Accumulation: 398.07p
B Accumulation: 653.78p

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.



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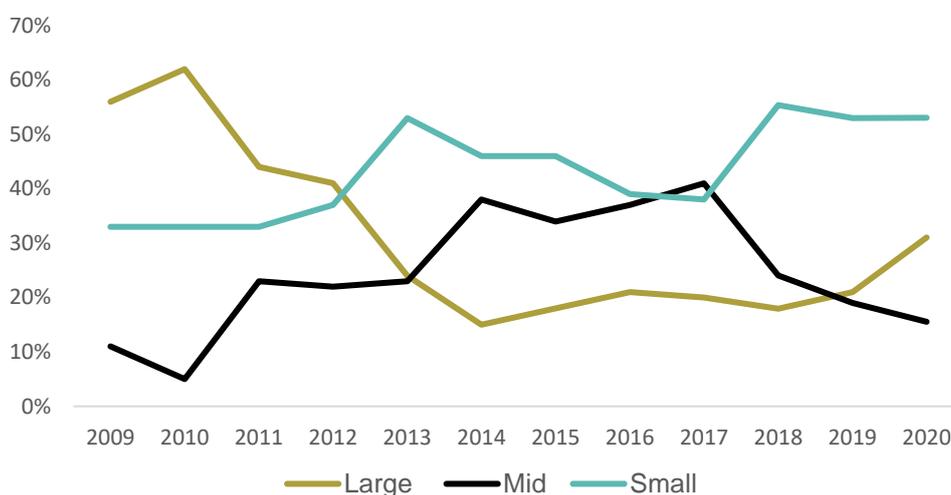
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Fund Breakdown by Market Capitalisation



Data as of 29th May 2020 Source: Saracen Fund Managers

Monthly Commentary

Market Background

Whilst it was another volatile month the Fund continued its recovery during May. Global markets have responded positively to early signs of lockdown restrictions being eased in most major economies but there remains great uncertainty about both the speed and extent of any recovery. It is also clear that the 'real' economy has significant hurdles to overcome in terms of unemployment and economic activity as government support schemes begin to unwind later in 2020.

Performance

The Fund continued to participate well in the ongoing market rally, rising by 3.9% compared to the UK index return of 2.2% (adjusted for noon pricing). The mid and small cap indices modestly outperformed the FTSE100 but the increases were broadly based, with all three segments showing positive returns.

For the second month in a row both Halfords and Clinigen made significant contributions with Halfords rising by 70% on hopes of a cycling boom. Clinigen rose by 21% as investors responded well to progress on key cancer treatments. Marlowe and Synthomer progressed too with COVID having minimal impacts on both. Equiniti was our main laggard, falling by 22% as weak corporate activity and low interest rates impacted the outlook. Imperial Brands cut the dividend and posted lacklustre results whilst our real estate stocks, U&I and Palace Capital, continue to struggle in a largely friendless sector.

Portfolio Activity

It was a busy month with three new businesses added to the portfolio, all of which we think offer strong recovery prospects. We bought DFS Furniture and National Express, both of which have recently had equity fundraisings to give them the ability to bounce back quickly. Our third purchase was Premier Foods, where trading is strong and debt reducing. Despite clear progress the shares remain very lowly valued in our view. We sold the holding in TI Fluid Systems where, by comparison, we see a somewhat slow and difficult road to recovery. We also took some profits in Gleeson, Halfords and Rio Tinto after strong price performance in each stock. As a result of the new purchases above the Fund is now fully invested again.

May – Attribution *

Top Contributors	Positive
Halfords	+1.74%
Clinigen	+0.81%
Standard Life Aberdeen	+0.69%
Marlowe	+0.51%
Synthomer	+0.46%
Top Detractors	Negative
Equiniti	-0.85%
Imperial Brands	-0.42%
Palace Capital	-0.37%
U&I Group	-0.26%
MJ Gleeson	-0.23%

*Source: Bloomberg as at 29/5/20

Fund Breakdown

Top 10 Holdings	
Barclays	5.0%
Standard Life Aberdeen	4.9%
Clinigen	4.4%
MJ Gleeson	4.2%
Johnson Matthey	4.2%
Synthomer	4.1%
Rio Tinto	3.8%
Premier Miton	3.8%
Imperial Brands	3.7%
Chemring	3.5%

Sector breakdown	
Financials	27.0%
Industrials	24.9%
Consumer Goods	16.3%
Consumer Services	12.7%
Basic Materials	12.1%
Healthcare	4.4%
Oil & Gas	2.2%
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:

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64 St. James's Street
Nottingham
NG1 6FJ

General Enquiries: 0115 988 8200
Dealing Line: 0115 988 8274
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(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.

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 – 29th May 2020