

TB Saracen UK Income Fund

June 2020

SARACEN
share success

Signatory of:

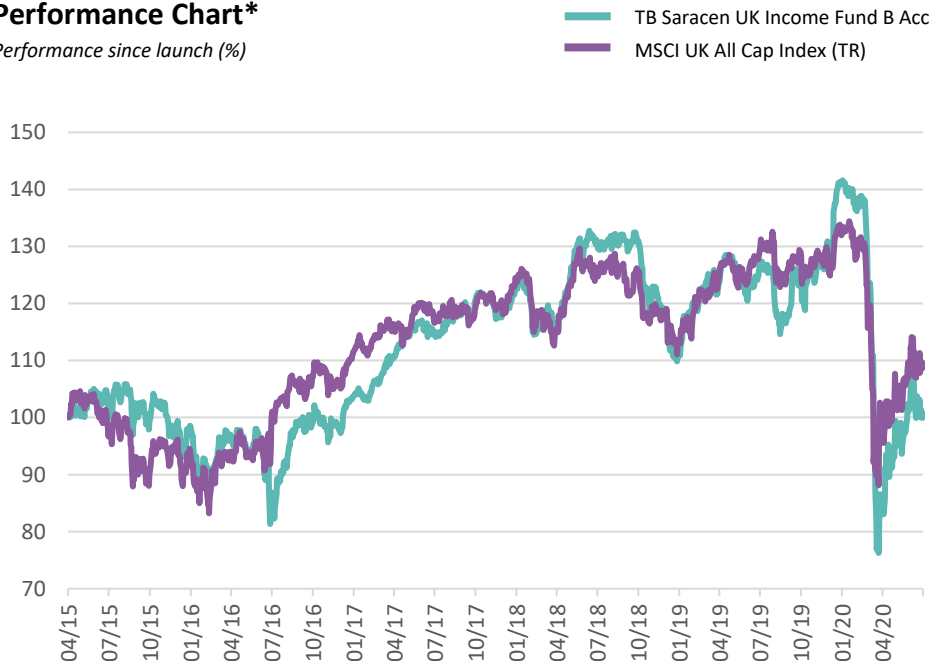


Fund Overview

- 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 June 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 June 2020)

Fund size: £3.3m
Launch date: 01/04/15

Historic yield: 7.2%

No. of holdings: 33
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: 100.68p
B Distribution: 79.07p

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

Cumulative Performance after all charges to 30th June 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
TB Saracen UK Income B Acc	-0.4%	16.2%	-19.7%	-12.1%	-1.3%	0.7%
MSCI UK All Cap Index (TR)	1.3%	9.4%	--14.5%	-6.4%	12.7%	10.4%
Sector Average	0.9%	11.0%	-13.6%	-10.7%	4.7%	4.1%
Quartile Ranking	4	1	4	3	3	3

Source: Financial Express; * launch date 01 April 2015

Sector: IA Sector (UK Equity Income)

** Note –MSCI AllCap Index returns shown are at market close whilst fund and sector returns are at noon pricing points.



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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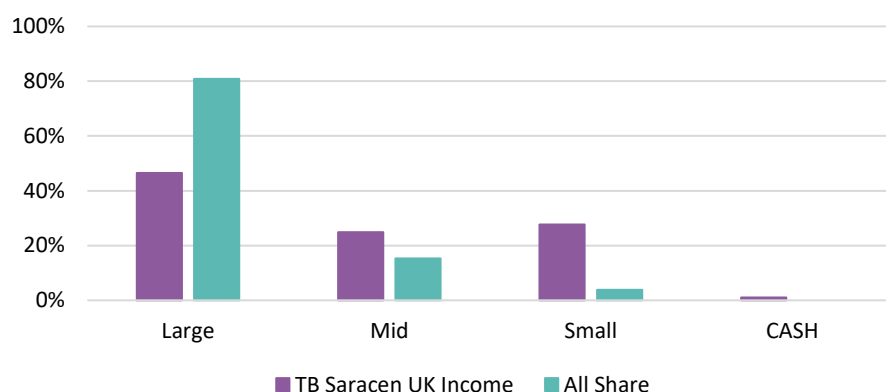
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Fund Breakdown by Market Capitalisation



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

Monthly Commentary

Market Background

As is the norm these days it was another volatile period, with a strong market rally in the opening weeks unwinding somewhat as the month concluded, leaving the UK index up 1.3% overall. Given the recovery we had seen from the lows it was always possible that markets would pause for breath a little. A strong bounce in value stocks in early June therefore petered out pretty quickly as concerns mounted about the pace of exit from lockdown and the economic impact of the huge job cuts which we are now seeing.

Performance

After a strong start to the month the Fund faded somewhat and fell by 0.4%, compared to the UK index return of 1.3%. This was mainly related to the significant tilt in the portfolio towards value factors, where we saw recovery falter later in the month. Returns by size factor were mixed but the large, mid and smallcap indices all ended up in the black.

Alpha FMC produced pleasing final results and rose by 9% whilst both NewRiver and Imperial Brands staged some recovery from oversold positions. The financials sector remains a very mixed bag but we saw some good recovery from the insurers Aviva and Phoenix over the month. Paypoint had solid results but COVID is clouding the short term outlook somewhat and the shares fell by 19%. National Express also struggled, falling by 13% in response to the loss of their highly regarded CEO. Some of our UK-centric stocks such as Headlam and Vistry slipped as investors focussed on the weak outlook for the UK economy and housing activity in the light of COVID.

Portfolio Activity

It was a busy month with three new holdings added to the Fund. Euromoney is a business we have tracked for some time and the impact of COVID on its events division has upset the share price materially, giving us an attractive entry point. In a similar vein Johnson Matthey has been impacted by disruption in the automotive market but has an attractive technology base which has yet to reach its long term potential. Tate & Lyle has evolved into a more balanced business with a focus on added value ingredients and offers a healthy dividend yield. Each of these holdings we believe add quality, balance and diversity to the existing portfolio at attractive valuations. The holding in Halfords was reduced further after a strong recovery. Having added several new holdings in recent months the Fund is currently fully invested. Our forthcoming quarterly review will have a full update regarding the dividend outlook for the Fund in the light of significant cuts we have seen in 2020 so far.

June – Attribution *

Top Contributors	Positive
Alpha FMC	+0.28%
Aviva	+0.27%
Phoenix	+0.24%
NewRiver REIT	+0.22%
Imperial Brands	+0.18%
Top Detractors	Negative
Paypoint	-0.46%
National Express	-0.37%
Synthomer	-0.33%
Vistry Group	-0.30%
Halfords	-0.30%

*Source: Bloomberg as at 30/6/20

Fund Breakdown

Top 10 Holdings	
Phoenix Group	5.7%
DS Smith	5.0%
Rio Tinto	4.7%
Imperial Brands	4.6%
Vistry Group	4.3%
Standard Life Aberdeen	4.1%
FRP Advisory	4.1%
BHP	4.0%
Close Brothers	3.9%
Alpha FMC	3.5%

Sector breakdown	
Financials	31.9%
Industrials	21.9%
Basic Materials	14.2%
Consumer Services	12.9%
Consumer Goods	12.7%
Oil & Gas	5.2%
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%

To place a deal or for further information contact:

T. Bailey Fund Services Limited (TBFS)
64 St. James's Street
Nottingham
NG1 6FJ
(Phone and email deals will only be accepted on completion of initial account set up and by prior agreement with TBFS)

General Enquiries: 0115 988 8200
Dealing Line: 0115 988 8274
E-mail Dealing: clientservices@tbailey.co.uk

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.

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 June 2020