

TB Saracen Global Income and Growth Fund

July 2020

SARACEN
share success

Signatory of:

PRI Principles for Responsible Investment

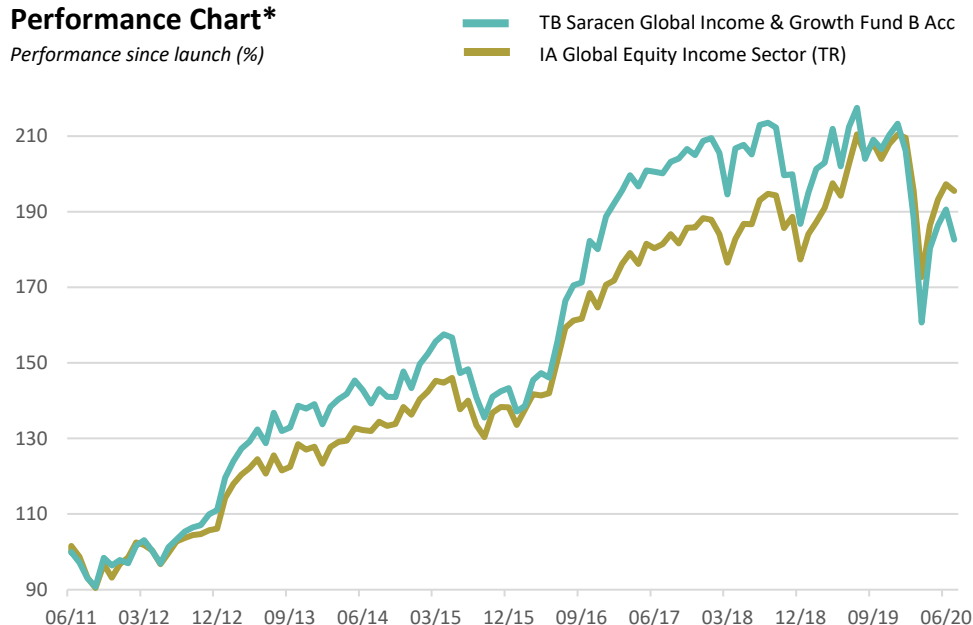


Fund Overview

- 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 (%)



*Source: Financial Express, as at 31st July 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 31 July 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
TB SGIG B Acc	-4.1%	+1.3%	-16.0%	-8.7%	+23.2%	+83%
Sector Average	-0.9%	+4.9%	-7.1%	+7.8%	+39.4%	+95%
Quartile Ranking	4	4	4	4	4	3

Source: Financial Express; *launch date 23 June 2011

Sector: IA Sector (Global Equity Income)

FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

FUND DETAILS

(as at 31st July 2020)

Fund size: £83m
Launch date: 07/06/11
Historic yield: 4.8%

No. of holdings: 39
Active share: 94%
Beta: 1.06

Source: Bloomberg as at 31/07/20

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: 182.67p
B Distribution: 137.39p

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 20 years of industry experience.



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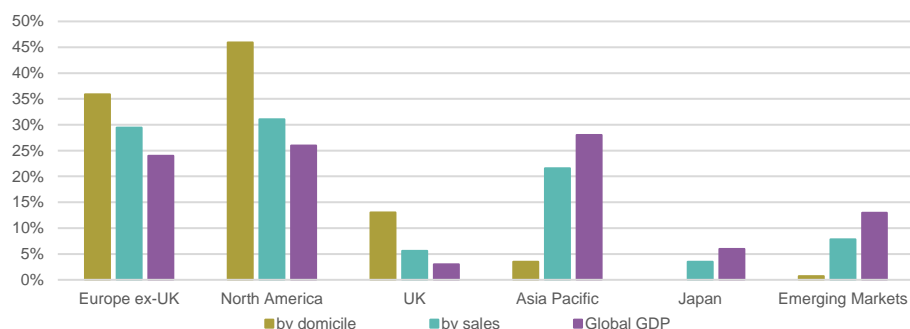
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Principles for Responsible Investment



Fund Breakdown by Geography



Data as of 31st July 2020, Source: Bloomberg/Saracen Fund Managers

Monthly Commentary

Performance

Performance in July was disappointing, while company results were generally in line. The trend of expensive shares going up and lowly valued shares declining continued. Many investors may no longer care about traditional valuation measures, but we do. We continue to believe the portfolio is well positioned in undervalued shares that will perform strongly when investors have more confidence that stimulus from Central Banks is having a positive effect.

TB SGIG returned -4.1% in July which was below the Global Equity Income peer group (-0.9%). TB SGIG remains attractively valued against both the market and peer group trading on 14.1X 2021 earnings and yielding 4.2%.

FX

Currency movements had a negative impact on the fund's performance. Sterling was up 2.3%, 1.3% and 7.1% against the CHF, EUR and USD respectively.

Positives

Pfizer (+11%) reported better than expected H1 earnings and upped its 2020 guidance. The share price also benefitted from the Pfizer's vaccine candidate for Covid 19 moving into Phase 3 with a potential filing for approval as early as October 2020. Johnson Matthey (+7%) issued an AGM statement outlining that Clean Air demand is recovering from its lows. Philip Morris Int. (+3%) posted better than feared H1 numbers driven by strong pricing and volume rebound in developed markets. Margins were above expectations helped by higher IQOS sales and lower costs in converting smokers to IQOS.

Negatives

Intel (-23%) had strong Q2 results with revenue up 20% y/y. However, a 6 month delay to their 7 nanometer product, which is not expected now until 2022/23. We believe the delay's impact was blown out of proportion considering the medium term time frame. Shares tend to be volatile and we take advantage of this to adjust our position accordingly. At 10x 2020 PE and with a 2.6% yield the valuation does not reflect Intel's market leader position or R&D firing power. We increased our holding this month. DBS (-10%) suffered after the local regulator called on Singapore headquartered banks to cap their dividends at 60% of last year's level. DBS has a strong balance sheet and its liquidity is well above the regulatory requirement. We expect a rebound in the dividend next year.

Portfolio activity

We took profits in eBay after more than doubling from its lows in March due to the increased demand for its services during lockdown and the news during the month that it had found a buyer for its classified business. We reinvested the proceeds into Intel and Pfizer.

July – Attribution *

Top Contributors	Positive
Pfizer	+0.30%
Johnson Matthey	+0.25%
Philip Morris International	+0.12%
Rio Tinto	+0.08%
Interpublic Group	+0.04%
Top Detractors	Negative
Intel	-0.75%
DBS	-0.33%
Danone	-0.29%
Imperial Brands	-0.28%
Barclays	-0.25%

*Source: Bloomberg as at 31/07/20

Fund Breakdown

Top 10 Holdings	
Philip Morris International	4.8%
Cisco	4.2%
IBM	4.0%
Roche	4.0%
Saint Gobain	3.8%
Johnson Matthey	3.7%
Svenska Handelsbanken	3.5%
DBS	3.4%
Johnson & Johnson	3.4%
Rio Tinto	3.4%

Sector breakdown	
Financials	19.4%
Healthcare	16.7%
Industrials	15.7%
Technology	15.5%
Basic Materials	13.9%
Consumer Goods	9.6%
Consumer Services	4.7%
Oil & Gas	3.6%
Utilities	0.0%
Cash	1.0%

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual Charge	Ongoing **
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)
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.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.

Issued by Saracen Fund Managers Limited. Please note that Saracen Fund Managers Limited do not provide financial advice. If you have any doubt whether the TB Saracen Global Income and Growth Fund is suitable for you and you wish to receive advice you should contact your Financial Adviser.

Regulatory Status:

FCA Recognised: Yes
Scheme Type: OEIC (UCITS)

Issue date – 31st July 2020