

# TB Saracen UK Alpha Fund

July 2020

**SARACEN**  
share success

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 has, since launch in March 1999, outperformed its benchmark in 17 out of 21 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 31<sup>st</sup> 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 charges to 31<sup>st</sup> July 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Alpha B Acc</b>	-2.4%	2.7%	-17.2%	-8.5%	7.5%	548.5%
<b>MSCI UK All Cap Index (TR)</b>	-4.0%	0.5%	-19.4%	-11.3%	12.7%	
<b>Sector Average</b>	-2.2%	1.2%	-14.5%	-8.3%	7.8%	145.9%
<b>Quartile Ranking</b>	3	1	3	2	3	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.

## FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

### FUND DETAILS

(as at 31<sup>st</sup> July 2020)

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

**No. of holdings:** 33  
**Active share:** 92%  
Source: Bloomberg

**Denomination:** GBP

**Valuation point:** 12 noon

### Fund prices:

**A Accumulation:** 392.89p  
**B Accumulation:** 646.12p

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

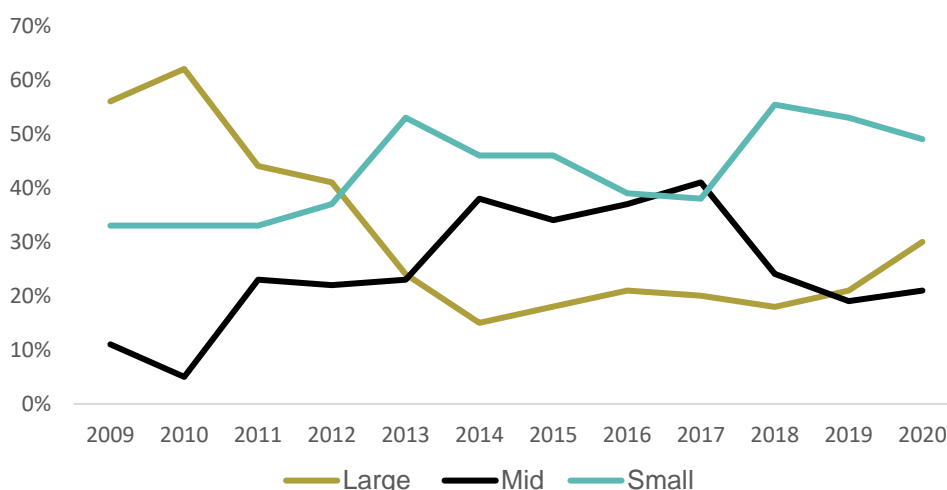
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## Fund Breakdown by Market Capitalisation



Data as of 31<sup>st</sup> July 2020 Source: Saracen Fund Managers

## Monthly Commentary

### Market Background

The post-COVID recovery in markets unwound somewhat in July as the harsh reality of company results during the pandemic took centre stage, leaving the UK index down 3.6% overall. Concerns mounted about the shape of exit from lockdown and the significant economic impact came through clearly in very weak Q2 GDP data. Any corporate disappointments continue to be harshly dealt with, leading to meaningful falls in vulnerable sectors.

### Performance

The fund began the month strongly and managed to keep its nose in front of the benchmark across the entire period and outperformed by 1.6% against the MSCI, though underperformed against the UK All Companies Sector by 0.2%. This was despite the funds previously discussed bias towards value factors and small and mid-cap stocks which generally speaking performed poorly throughout July, though for once their performance was a little better than that of the FTSE100 which fell 4.1%.

For the second month in a row the strong performance was led by Premier Foods as the market digested their recently announced strong trading and the fact that the company's balance sheet is now in much better shape. DiscoverIE posted an encouraging trading statement and Inspects announced a small bolt on acquisition which was well received by the market. Melrose led the laggards this month underperforming by 25% as market participants focussed on the group's stretched balance sheet. Imperial Tobacco and Barclays also had a disappointing month underperforming by 17% and 12% respectively.

### Portfolio Activity

There were no major changes made to the portfolio during July. We took some profit in our largest position, Premier Foods, after its stellar run of late. Towards the end of the month we added to DFS Furniture, Tyman and National Express, all of whom have struggled recently. We see considerable longer-term upside in the valuations of each business. The Fund currently holds 2% in cash.

## July – Attribution \*

Top Contributors	Positive
Premier Foods	+1.25%
Discoverie	+0.37%
Palace Capital	+0.32%
Inspects	+0.28%
Johnson Matthey	+0.24%
Top Detractors	Negative
Melrose	-0.62%
Imperial Brands	-0.52%
Barclays	-0.45%
National Express	-0.44%
Vistry	-0.42%

\*Source: Bloomberg as at 31/7/20

## Fund Breakdown

Top 10 Holdings	
Standard Life Aberdeen	4.7%
Johnson Matthey	4.3%
Barclays	4.3%
Premier Foods	4.1%
Rio Tinto	4.1%
Chemring	3.8%
Premier Miton	3.7%
MJ Gleeson	3.6%
Prudential	3.6%
Alpha Financial Markets Cons	3.6%

Sector breakdown	
Financials	26.3%
Industrials	25.4%
Consumer Goods	16.7%
Consumer Services	12.8%
Basic Materials	11.2%
Healthcare	2.3%
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:**

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](mailto: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.

### 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](http://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 – 31<sup>st</sup> July 2020**