

# TB Saracen UK Income Fund

August 2020

Signatory of:

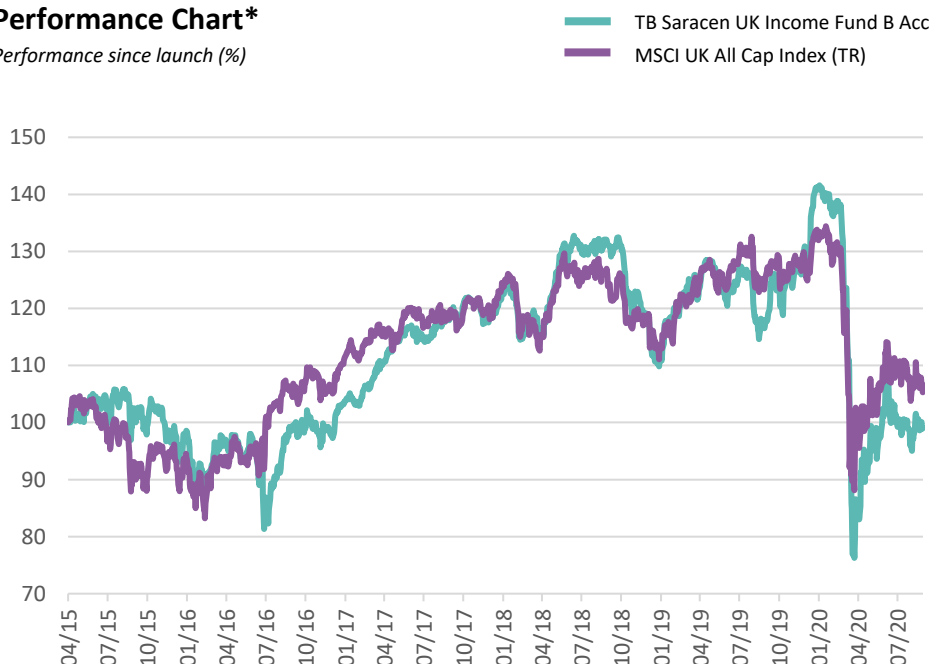


## Fund Overview

- 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 28<sup>th</sup> August 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 28<sup>th</sup> August 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Income B Acc</b>	2.8%	-2.0%	-16.1%	-17.0%	-3.4%	-1.0%
<b>MSCI UK All Cap Index (TR)</b>	2.2%	-0.6%	-14.3%	-10.6%	14.5%	8.4%
<b>Sector Average</b>	2.1%	0.0%	-12.4%	-12.3%	6.4%	3.1%
<b>Quartile Ranking</b>	1	4	3	3	4	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.

## FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

### FUND DETAILS

(as at 28th August 2020)

**Fund size:** £3.1m  
**Launch date:** 01/04/15

**No. of holdings:** 33  
**Active share:** 89%

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:** 99.01p  
**B Distribution:** 76.68p

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 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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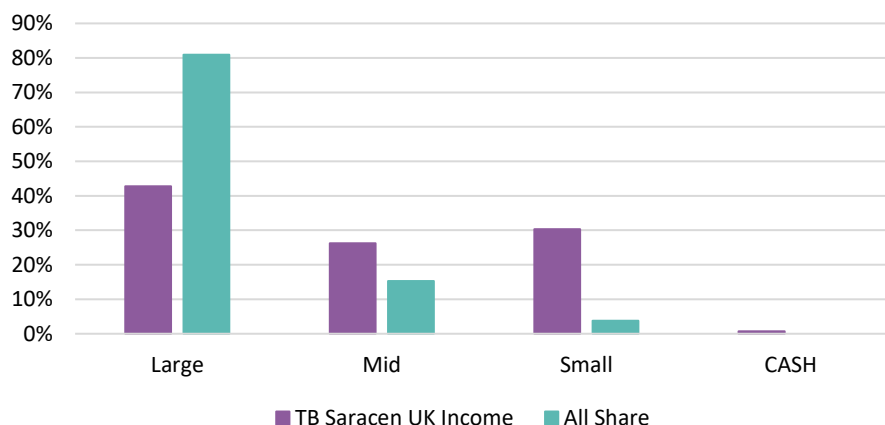
August 2020

SARACEN  
share success

Signatory of:



## Fund Breakdown by Market Capitalisation



Data as of 28th August 2020, Source: Saracen Fund Managers

## Monthly Commentary

### Market Background

After a poor month in July markets found a firmer footing in August and the UK index rose by 2.2%. However, the UK market continues to lag in a global context, particularly against the US where markets reached record highs. Concerns remain about the shape and pace of the UK's exit from lockdown but we are at least seeing some positive short term economic indicators in terms of PMI surveys and better company statements in some consumer facing sectors.

### Performance

The Fund had a better month, rising by 2.8% compared to the UK index return of 2.2% and the sector average of 2.1%. All of the main UK indices by size rose in value, led by the Mid250 which returned 5.4%. The FTSE100 index lagged and increased by only 1.8%, with its high overseas earnings mix impacted by the ongoing strength of sterling against the US dollar during the month.

The main feature of the month was positive responses to results from a number of our holdings. In many cases some of the market's worst fears have failed to materialise and we saw strong rallies in stocks such as Wood Group (+30%), WPP (+14%), Tyman (+13%) and DFS Furniture (+13%). Our largest holding, Phoenix Group, also produced solid results and a significant dividend as expected whilst Gateley saw a good rally despite a lack of news. Our main detractor was National Express where weak results confirmed the toll that lockdown has taken on the business globally. The departure of the CEO has also eroded confidence at a difficult time. STV shares have slipped post the recent equity issue but results on 1<sup>st</sup> September confirmed better advertising trends of late.

### Portfolio Activity

It was a quiet month with the only activity being modest reductions in the holding sizes of Phoenix Group, Synthomer and DS Smith. The Fund currently has 1% cash.

	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

## August – Attribution \*

Top Contributors	Positive
Wood Group	+0.67%
Phoenix Group	+0.48%
WPP	+0.42%
Gateley	+0.38%
Tyman	+0.32%
Top Detractors	Negative
National Express	-0.41%
STV	-0.19%
Jupiter	-0.10%
Standard Life Aberdeen	-0.09%
FRP Advisory	-0.03%

\*Source: Bloomberg as at 28/8/20

## Fund Breakdown

Top 10 Holdings	
Phoenix Group	4.6%
BHP	4.6%
FRP Advisory	4.3%
Rio Tinto	4.2%
Close Brothers	4.2%
Imperial Brands	4.0%
Vistry Group	4.0%
Standard Life Aberdeen	3.9%
Aviva	3.8%
WPP	3.8%

Sector breakdown	
Financials	30.3%
Industrials	22.2%
Basic Materials	14.6%
Consumer Services	13.7%
Consumer Goods	12.4%
Oil & Gas	5.9%
Healthcare	0.0%
Telecoms	0.0%
Technology	0.0%
Utilities	0.0%

**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:

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### 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 – 28<sup>th</sup> August 2020