

# TB Saracen Global Income and Growth Fund

September 2020

SARACEN  
share success

Signatory of:

**PRI** Principles for Responsible Investment



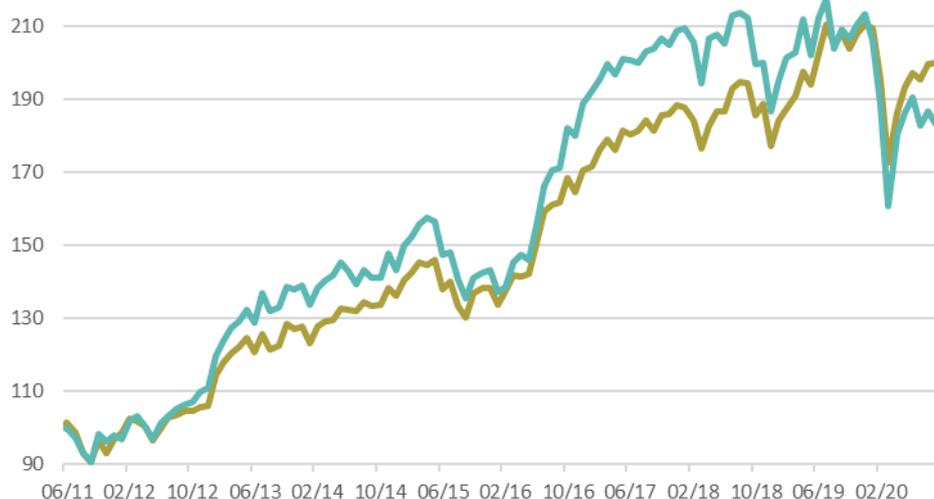
## Fund Overview

- 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 (%)

— TB Saracen Global Income & Growth Fund B Acc  
— IA Global Equity Income Sector (TR)



\*Source: Financial Express, as at 30<sup>th</sup> September 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 30 September 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB SGIG B Acc</b>	-1.8%	-3.9%	-12.4%	-10.2%	+35.1%	+84%
<b>Sector Average</b>	0.0%	+1.3%	-3.9%	+10.0%	+54.1%	+100%
<b>Quartile Ranking</b>	4	4	4	4	4	3

Source: Financial Express; \*launch date 7 June 2011

Sector: IA Sector (Global Equity Income)

## FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

### FUND DETAILS

(as at 30<sup>th</sup> September 2020)

**Fund size:** £81m  
**Launch date:** 07/06/11  
**Historic yield:** 4.8%

**No. of holdings:** 40  
**Active share:** 95%  
**Beta:** 1.06

Source: Bloomberg as at 30/09/20

**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:** 183.15p  
**B Distribution:** 137.68p

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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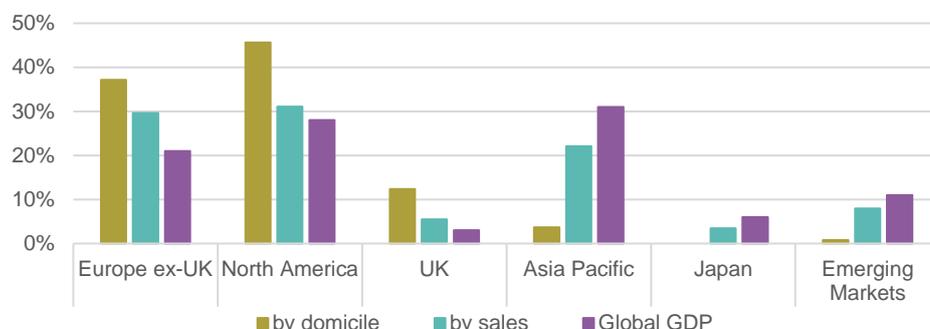
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## Fund Breakdown by Geography



Data as of 30<sup>th</sup> September 2020, Source: Bloomberg/Saracen Fund Managers

## Monthly Commentary

### Performance

Markets were incredibly volatile in September as several near-term concerns came back into focus. The impact from COVID-19 continues to dominate the news flow and the prospect of a second wave in Europe and the US impacted investor sentiment. Whilst, the inability of US politicians to agree on a further stimulus package was unhelpful. Brexit discussions resumed and there appeared little progress towards a deal. In addition, investors fear the US election result will be contested by the losing candidate.

TB SGIG returned -1.8% in September which was behind the Global Equity Income peer group (0.0%). The Fund's continued poor performance is clearly disappointing; however, we expect a strong rebound when the market leadership changes. We would highlight an economic recovery, rising inflation expectations and a Covid-19 vaccine as potential catalysts for change. The fund remains attractively valued against both the market and peer group trading on 13.2X 2021 earnings and yielding 4%.

### FX

Currency movements had a positive impact on the fund's performance. Sterling down 1.6%, 2.0% and 3.6% against the CHF, EUR and USD respectively.

### Positives

There was very limited corporate newsflow during the month. Three of our holdings held investor days during the month which we found insightful. Both Heidelberg Cement and Wienerberger highlighted long term opportunities in margins but more interestingly their ability to significantly reduce the amount of carbon emitted during manufacturing. Both shares could significantly re-rate as investors re-appraise their ESG credentials. Johnson Matthey held a seminar on Hydrogen highlighting how well it is positioned to take advantage of the long-term opportunities in this area.

### Negatives

Despite trading at historic low valuations our financial holdings had a very difficult month. Our investments in Handelsbanken (-16%), AiB (-14%), Barclays (-13%) and UBS (-8%) all performed poorly. There appears to be no price at which investors will buy these stocks! Our Oil holdings fell with the price of Oil during the month. Both Chevron (-12%) and Schlumberger (-13%) were weak.

### Portfolio activity

We made no changes to the portfolio during the month.

## September – Attribution \*

Top Contributors	Positive
Fuchs Petrolub	+0.37%
Saint Gobain	+0.30%
Intel	+0.27%
Imperial Brands	+0.16%
Schneider Electric	+0.14%
Top Detractors	Negative
Svenska Handelsbanken	-0.49%
Barclays	-0.32%
UBS	-0.23%
Chevron	-0.21%
AiB	-0.20%

\*Source: Bloomberg as at 30/09/20

## Fund Breakdown

Top 10 Holdings	
Philip Morris International	4.5%
IBM	4.1%
Roche	4.1%
Saint Gobain	3.9%
DBS Group	3.6%
Intel	3.6%
Cisco	3.6%
J&J	3.5%
Merck	3.3%
Johnson Matthey	3.2%

Sector breakdown	
Financials	18.8%
Healthcare	17.3%
Industrials	17.3%
Technology	15.0%
Basic Materials	14.2%
Consumer Goods	9.4%
Consumer Services	4.5%
Oil & Gas	3.1%
Utilities	0.0%
Cash	0.4%

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual Charge	Ongoing ** Charge
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](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. 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](http://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](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 – 30<sup>th</sup> September 2020**