

# TB Saracen UK Income Fund

September 2020

**SARACEN**  
share success

Signatory of:

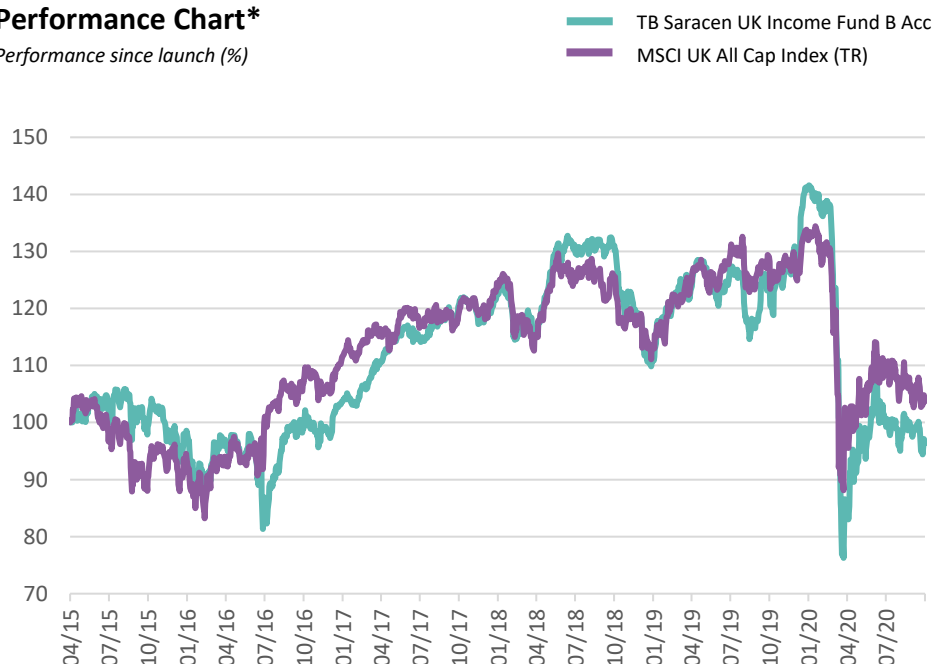


## Fund Overview

- 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 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 charges to 30<sup>th</sup> September 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Income B Acc</b>	-2.7%	-4.3%	-23.0%	-19.9%	-2.9%	-3.7%
<b>MSCI UK All Cap Index (TR)</b>	-1.7%	-3.5%	-18.2%	-11.6%	15.8%	6.6%
<b>Sector Average</b>	-2.3%	-3.2%	-17.2%	-14.5%	5.3%	0.7%
<b>Quartile Ranking</b>	3	3	4	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 30<sup>th</sup> September 2020)

**Fund size:** £2.8m  
**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:** 96.34p  
**B Distribution:** 74.67p

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.

# TB Saracen UK Income Fund

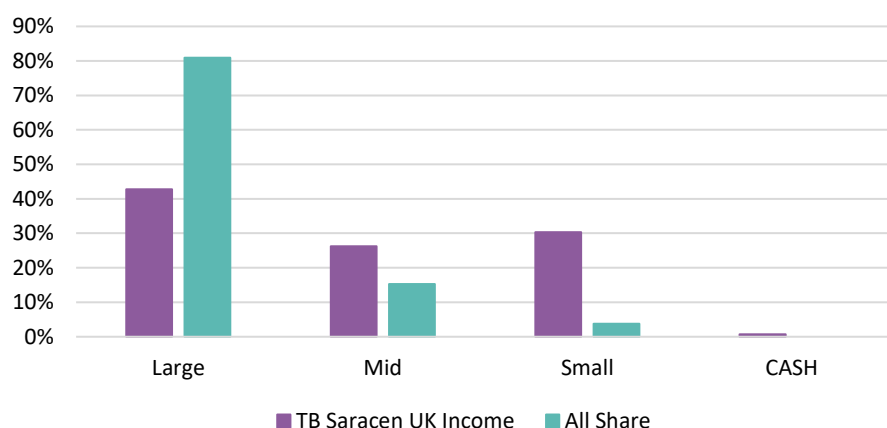
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## Fund Breakdown by Market Capitalisation



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

## Monthly Commentary

### Market Background

Markets struggled in September as more lockdown restrictions were imposed and hopes faded of an early end to the COVID pandemic. In addition, UK investors had to cope with further uncertainty regarding the Brexit talks and a general sense of political crisis. As a result, the UK market continues to lag materially in a global context. Despite this gloomy background a trend towards better than expected company statements is now emerging, albeit from very low expectations in most cases.

### Performance

The Fund lost some ground in September, falling by 2.7% compared to the UK index return of -1.7% and the sector average of -2.3%. All of the main UK indices by size fell in value, with the Mid250 the most impacted, slipping by 2.5% in response to Brexit concerns and weaker sterling.

Our main positives over the month were a diverse group of holdings. National Express (+21%), DS Smith (+14%) and Imperial Brands (+9%) all saw strong recoveries from previously oversold levels on fairly limited new news. STV (+20%) produced good results in difficult circumstances and looks set for recovery. Tyman (+12%) continued its recent rally as did Halfords (+10%), with the latter then delivering a material improvement in trading on October 1st. Our main detractor was Paypoint which announced an OFGEM investigation on 30<sup>th</sup> September, causing the shares to fall by 17%. Financials in general struggled and, despite being the first UK bank to reinstate dividends, Close Brothers shares fell by another 9%. Housebuilder Vistry also gave investors positive profit guidance but this didn't stop the shares falling a further 11%. We think they offer exceptional value now.

### Portfolio Activity

It was a quiet month with the only activity being reductions in the mining sector (BHP, Rio Tinto) and FRP Advisory, all of which have enjoyed strong runs recently. The Fund is currently fully invested, reflecting some of the considerable opportunities we now see across the UK equity market.

## September – Attribution \*

Top Contributors	Positive
National Express	+0.48%
STV	+0.44%
DS Smith	+0.33%
Imperial Brands	+0.31%
Tyman	+0.29%
Top Detractors	Negative
Paypoint	-0.75%
Vistry	-0.44%
John Wood	-0.42%
Close Brothers	-0.38%
Intermediate Capital	-0.36%

\*Source: Bloomberg as at 30/9/20

## Fund Breakdown

Top 10 Holdings	
Phoenix Group	5.1%
Imperial Brands	4.9%
Close Brothers	4.3%
Standard Life Aberdeen	4.2%
Vistry Group	4.1%
WPP	4.0%
Rio Tinto	3.9%
Aviva	3.8%
FRP Advisory	3.7%
BHP	3.3%

Sector breakdown	
Financials	31.6%
Industrials	22.3%
Consumer Services	13.7%
Consumer Goods	13.6%
Basic Materials	13.1%
Oil & Gas	5.7%
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%

\*\* 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.tbaileys.co.uk](http://www.tbaileys.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