

TB Saracen Global Income and Growth Fund

October 2020

SARACEN
share success

Signatory of:

PRI Principles for Responsible Investment



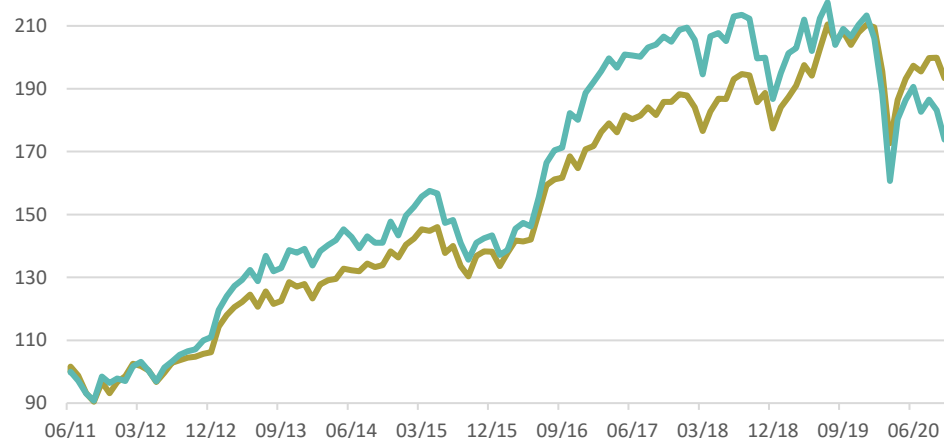
Fund Overview

- 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 30th October 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 October 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
TB SGIG B Acc	-5.1%	-4.9%	-15.9%	-15.9%	+23.3%	+74%
Sector Average	-3.3%	-1.1%	-5.6%	+4.1%	+40.1%	+94%
Quartile Ranking	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 30th October 2020)

Fund size: £78m
Launch date: 07/06/11
Historic yield: 4.0%

No. of holdings: 40
Active share: 95%
Beta: 1.08

Source: Bloomberg as at 30/10/20

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: 173.78p
B Distribution: 130.64p

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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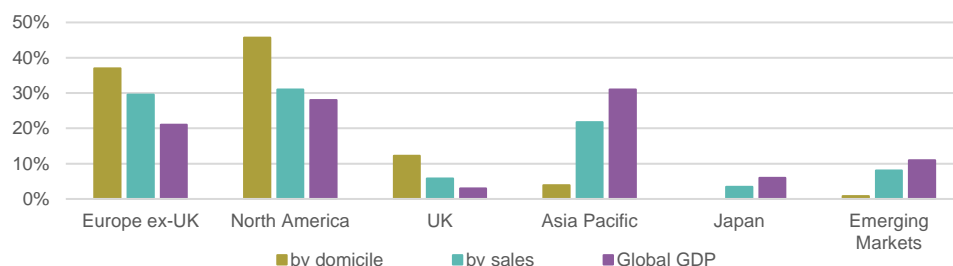
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Fund Breakdown by Geography



Data as of 30th October 2020, Source: Bloomberg/Saracen Fund Managers

Monthly Commentary

Performance

Markets sold off during October as increased lockdown restrictions were imposed across Europe. The run up to the US presidential election also heightened volatility whilst a decision on a further US stimulus package was delayed again. Closer to home, the on/off Brexit negotiations keep investors from looking at the UK market. Having said all this, we expect more clarity on most of these factors during the next month (US election, Brexit, US stimulus). Combined with potential positive newsflow on a vaccine this could result in the long awaited market rotation that would benefit the fund.

TB SGIG returned -5.1% in October which was behind the Global Equity Income peer group (-3.3%). The Fund's continued poor performance is clearly disappointing; but as mentioned, there are multiple data points in the next few weeks that could lead to our style coming back into favour. The fund remains attractively valued against both the market and peer group trading on 13.7x 2021 earnings and yielding 4.3%.

FX

Currency movements had a negative impact on the fund's performance. Sterling up 1.5%, 1.2% and 0.6% against the EUR, USD and CHF respectively.

Positives

65% of our holdings reported sales and/or earnings. Although there were many positive surprises and upgrades to FY guidance, share prices did not always follow. But banks finally started to outperform. Results across the board were better than feared. Most importantly, impairments and provisions were lower than expected. Many banks also indicated they will be ready to pay a dividend as soon as regulatory bans are lifted. Barclays (+10%), AIB(+7%) and UBS (+4%) were amongst the best performers. Interpublic's (+10%) Q3 EPS were 60% above expectations, outperforming peers due to a resilient US market. The company also announced a new CEO as of January 2021.

Negatives

Danone (-16%) made the surprise announcement of replacing its CFO and reported underwhelming Q3 sales, down 2.5% organically. Management announced a strategic review of all products, brands and assets, something we were hoping for and factored into our analysis. We see tremendous earnings and valuation upside potential from a restructuring and used the recent weakness to increase our holding. Our technology names reported good earnings but were tainted with a general profit taking in the sector, despite their differentiated low valuation. Intel (-14%), IBM (-10%) and Cisco (-9%) trade on around 10x 2021 PE with yields between 3% and 6%, too cheap in our opinion.

Portfolio activity

We took some profits in strongly performing Saint Gobain and reinvested profits and cash flows into underperforming names like AIB, Barclays, Danone and Cisco.

	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

October – Attribution *

Top Contributors	Positive
Barclays	+0.30%
Interpublic	+0.29%
Rockwell	+0.18%
UBS	+0.12%
AIB	+0.10%
Top Detractors	Negative
Danone	-0.50%
Intel	-0.47%
IBM	-0.41%
Cisco	-0.36%
Roche	-0.33%

*Source: Bloomberg as at 30/10/20

Fund Breakdown

Top 10 Holdings	
Philip Morris International	4.4%
Roche	3.9%
IBM	3.9%
DBS Group	3.8%
Cisco	3.7%
Johnson & Johnson	3.4%
Rockwell	3.3%
UBS	3.3%
Interpublic	3.2%
Intel	3.2%

Sector breakdown	
Financials	19.8%
Industrials	17.3%
Healthcare	16.7%
Technology	14.5%
Basic Materials	14.0%
Consumer Goods	9.1%
Consumer Services	4.9%
Oil & Gas	3.5%
Utilities	0.0%
Cash	0.4%

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.

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Regulatory Status:

FCA Recognised: Yes
Scheme Type: OEIC (UCITS)

Issue date – 30th October 2020