

# TB Saracen UK Income Fund

November 2020

**SARACEN**  
share success

Signatory of:

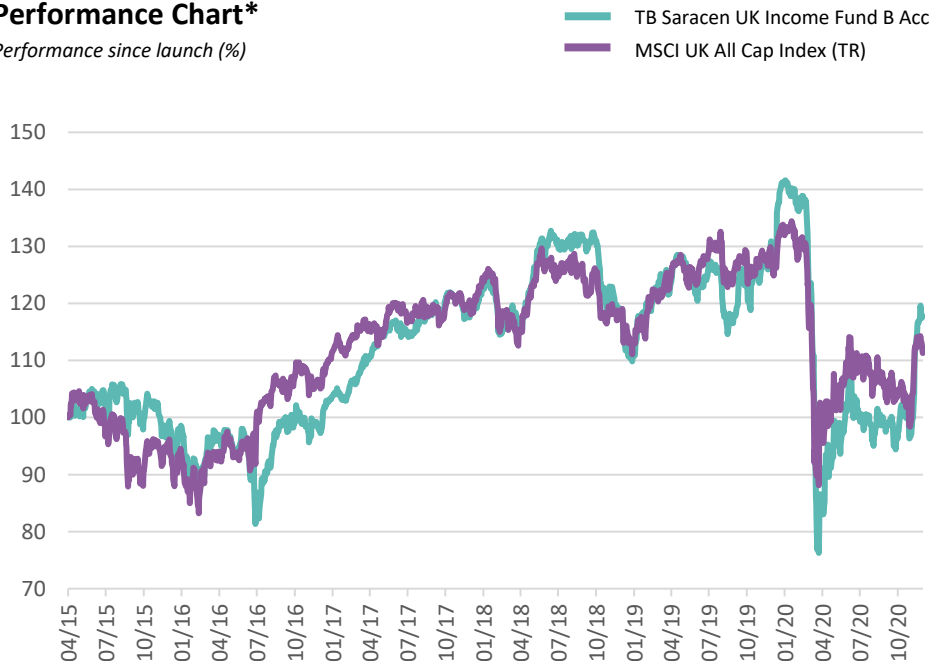


## Fund Overview

- 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> November 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.

## FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

### FUND DETAILS

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

**Fund size:** £3.3m  
**Launch date:** 01/04/15

**No. of holdings:** 33  
**Active share:** 85%

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:** 117.79p  
**B Distribution:** 91.30p

Policy is not to charge a dilution levy except in exceptional circumstances.

**ACD:**  
**T. Bailey Fund Services Limited**

## Cumulative Performance after all charges to 30<sup>th</sup> November 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Income B Acc</b>	22.0%	19.0%	-10.0%	-1.0%	19.9%	17.8%
<b>MSCI UK All Cap Index (TR)</b>	13.2%	6.5%	-11.9%	-4.4%	19.2%	15.5%
<b>Sector Average</b>	15.7%	9.0%	-10.5%	-5.3%	11.6%	12.4%
<b>Quartile Ranking</b>	1	1	2	2	2	2

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.

**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

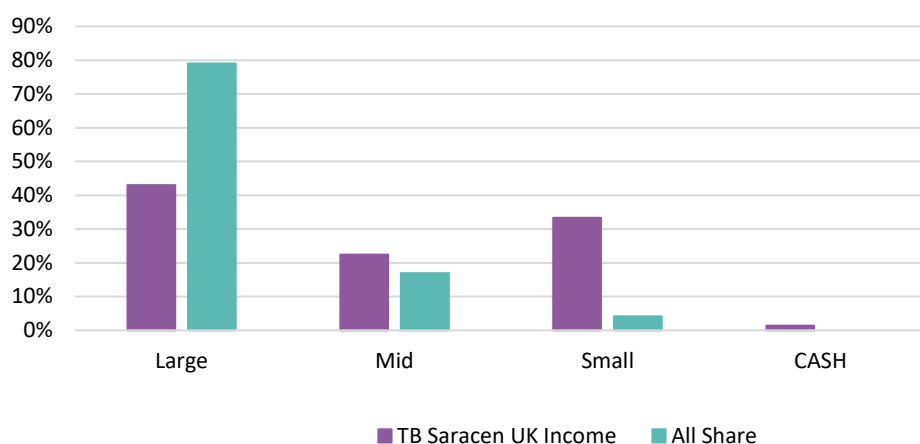
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## Fund Breakdown by Market Capitalisation



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

## Monthly Commentary

### Market Background

Global markets enjoyed a significant recovery in November as breakthroughs were made with a number of COVID vaccines. Having lagged for so long the UK market was amongst the strongest performers as investors rotated into sectors offering deep value such as oils and financials and away from previous leaders such as healthcare and tech. Bond yields appear to have bottomed and inflation expectations are finally rising, all of which contributed to the significant changes in market leadership, something which we have commented on at length in recent months.

### Performance

It was a month of great progress with the Fund rising by 22.0%, compared to the UK index return of 13.2% and the sector average of 15.7%. During 2020 we have retained our bias towards value factors despite the obvious headwinds these have caused the Fund, and our patience is now finally being rewarded, with our large weightings in financials and industrials as well as many of our lowly rated small companies all seeing considerable price recovery.

Against this more positive backdrop a number of our holdings delivered strong trading updates which led to large increases in their share prices – these included Vistry, Eurocell, Headlam, Euromoney and Intermediate Capital. Various other holdings saw sharp recoveries from very depressed levels with Wood Group, National Express and Gateley all big contributors. Our large exposure to financials was a positive feature across the board with Lloyds, Close Brothers, Aviva and Standard Life Aberdeen all particularly strong. There were only two negative contributors – Glaxo and FRP Advisory, both of which we added to towards the end of the month.

### Portfolio Activity

As the month progressed we made some changes in response to the significant market moves. A new holding was started in Glaxo and the investments in Tate & Lyle and FRP Advisory were increased. Shares in all three companies have lagged materially of late. We sold the remaining holding in Synthomer after a strong recovery and reduced several other large positions including Jupiter, National Express and Close Brothers. The Fund held 1% in cash at the month end.

## November – Attribution \*

Top Contributors	Positive
Vistry Group	+2.08%
Wood Group	+1.41%
National Express	+1.39%
Intermediate Capital	+1.11%
Headlam	+0.91%
Top Detractors	Negative
Glaxo	-0.38%
FRP Advisory	-0.21%

\*Source: Bloomberg as at 30/11/20

## Fund Breakdown

Top 10 Holdings	
Vistry Group	4.6%
Standard Life Aberdeen	4.2%
Imperial Brands	4.1%
Phoenix Group	4.1%
Wood Group	4.1%
Close Brothers	3.6%
WPP	3.6%
Aviva	3.5%
Lloyds Banking	3.5%
FRP Advisory	3.5%

Sector breakdown	
Financials	30.0%
Industrials	22.5%
Consumer Goods	14.7%
Consumer Services	13.8%
Basic Materials	7.5%
Oil & Gas	7.2%
Healthcare	2.9%
Telecoms	0.0%
Technology	0.0%
Utilities	0.0%

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual Charge	Ongoing** Charge
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 – 3<sup>rd</sup> December 2020