

TB Saracen UK Income Fund

December 2020

SARACEN
share success

Signatory of:



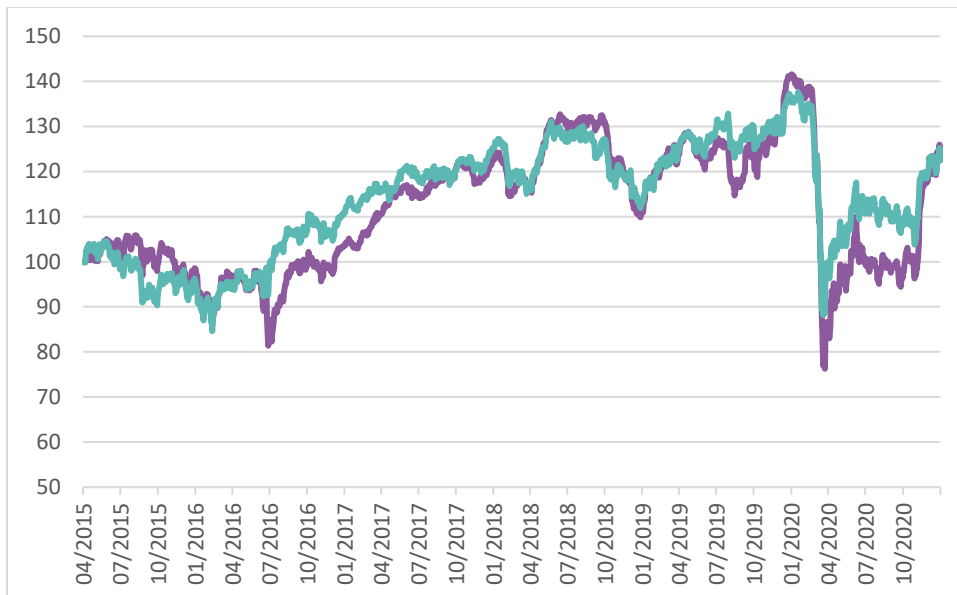
Fund Overview

- 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 (%)

— MSCI UK AllCap Index (TR)
— TB Saracen UK Income Fund B Acc



*Source: Refinitiv Eikon, as at 31st December 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 31st December 2020)

Fund size: £3.5m
Launch date: 01/04/15

No. of holdings: 33
Active share: 84%

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: 122.84p
B Distribution: 95.21p

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

ACD:
T. Bailey Fund Services Limited

Cumulative Performance after all charges to 31st December 2020

| | 1 month | 3 months | 1 year | 3 years | 5 years | Since launch* |
|-----------------------------------|---------|----------|--------|---------|---------|---------------|
| TB Saracen UK Income B Acc | 4.3% | 27.5% | -12.8% | 0.3% | 24.8% | 22.8% |
| MSCI UK All Cap Index (TR) | 3.8% | 12.4% | -11.3% | -5.3% | 25.6% | 19.9% |
| Sector Average | 3.7% | 15.6% | -10.7% | --4.1% | 16.2% | 16.5% |
| Quartile Ranking | 2 | 1 | 3 | 2 | 1 | 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

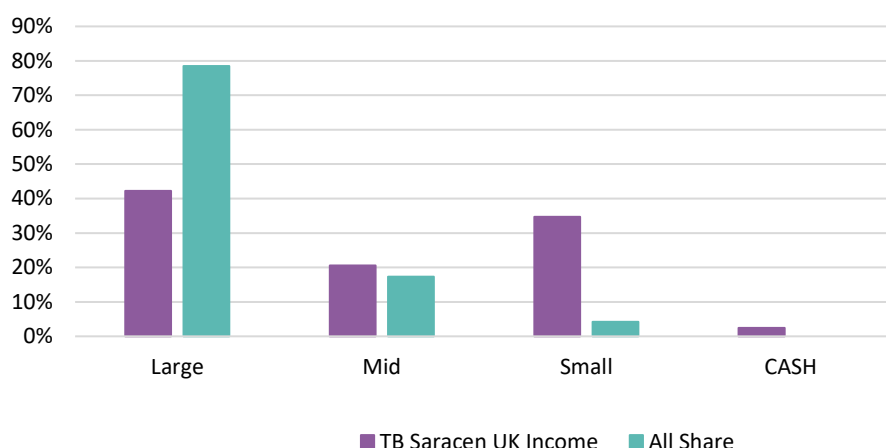
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Fund Breakdown by Market Capitalisation



Data as of 31st December 2020, Source: Saracen Fund Managers

Monthly Commentary

Market Background

Global markets had a strong December buoyed by the news of two COVID vaccines and the election of a new President in the US at last. In the UK PMIs continued to recover and retail sales remained strong despite low levels of consumer confidence. House prices continue to rise despite doomy predictions otherwise. We finally had a Brexit deal announced on Christmas Eve which saw sterling rise to a thirty month high and mid and smallcap indices outperform the FTSE100. We continue to believe that the UK equity market offers great value and we approach 2021 with cautious optimism.

Performance

After an exceptionally strong November the Fund made further progress, rising by 4.3%, ahead of the UK index return of 3.8% and the sector average of 3.7%. Overall 2020 was a challenging year for our strategy but we retained our bias towards value factors despite the obvious headwinds these have caused the Fund. It is encouraging to report a strong end to the year, with our focus on financials, consumer and industrial sectors beginning to pay off as well as many of our lowly rated small companies also seeing strong price recovery as mid and smallcap indices recovered their poise.

After a number of results and statements in November this month was somewhat quieter in terms of newflow. Vistry released another strong statement confirming lower debt levels whilst FRP also posted solid interims and began to recover some lost ground. Both stocks rose by 13%. Our new holding in Premier Miton got off to a positive start and the company will pay a healthy dividend soon whilst both WPP and DS Smith had pleasing updates. The laggards were mainly holdings which had seen strong recovery in November and therefore an element of profit taking. Overall there were no specific causes for concern.

Portfolio Activity

The only activity during the month was a switch in the asset management sector, with the Fund selling Jupiter and buying a holding in Premier Miton. The Fund held 1% in cash (xd) at the month end pending the payment of a final dividend of 1.358p per income share which went xd on 2nd January.

December – Attribution *

| Top Contributors | Positive |
|------------------|----------|
| Vistry Group | +0.43% |
| Premier Miton | +0.37% |
| Imperial Brands | +0.30% |
| FRP Advisory | +0.30% |
| New River REIT | +0.28% |
| Top Detractors | Negative |
| Palace Capital | -0.38% |
| Gateley | -0.33% |
| Phoenix Group | -0.23% |
| DFS Furniture | -0.12% |
| Headlam | -0.11% |

*Source: Refinitiv Eikon as at 31/12/20

Fund Breakdown

| Top 10 Holdings | |
|------------------------|------|
| Vistry Group | 4.8% |
| Imperial Brands | 4.3% |
| Wood Group | 4.1% |
| Standard Life Aberdeen | 4.1% |
| WPP | 3.7% |
| Phoenix Group | 3.6% |
| Close Brothers | 3.6% |
| FRP Advisory | 3.5% |
| Aviva | 3.4% |
| Intermediate Capital | 3.3% |

| Sector breakdown | |
|-------------------|-------|
| Financials | 29.4% |
| Industrials | 19.5% |
| Consumer Services | 16.1% |
| Consumer Goods | 14.9% |
| Basic Materials | 7.9% |
| Oil & Gas | 7.1% |
| Healthcare | 2.7% |
| 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

(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.

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 – 6th January 2021