

# TB Saracen Global Income and Growth Fund

April 2021

**SARACEN**  
share success

Signatory of:

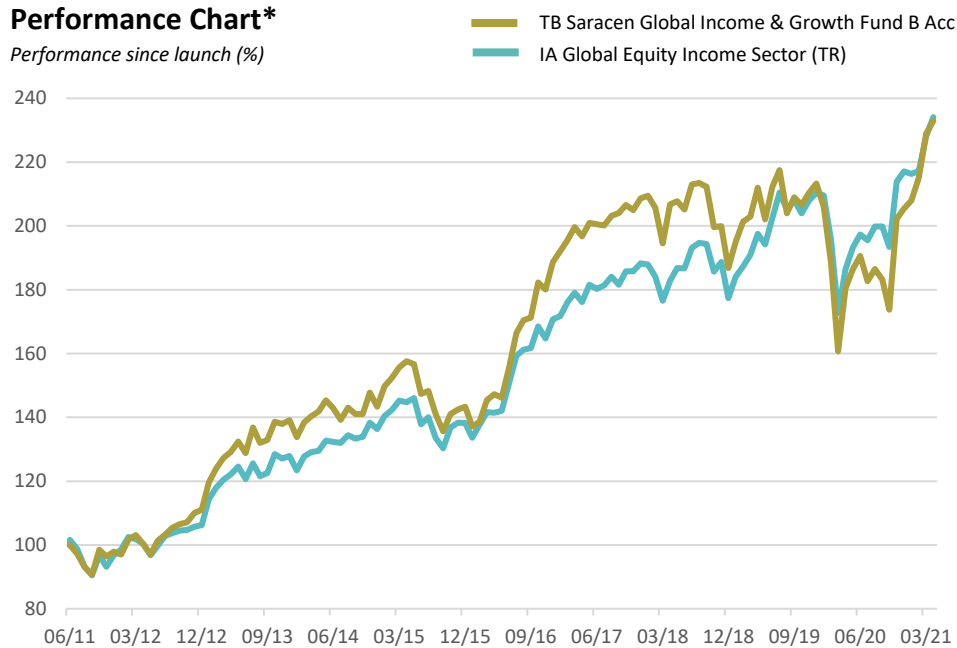


## Fund Overview

- 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 (%)



\*Source: Financial Express, as at 30<sup>th</sup> April 2021

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 April 2021

	1 month	3 months	6 months	1 year	3 years	5 years	Since launch*
<b>TB SGIG B Acc</b>	+1.7%	+12.0%	34.1%	+29.2%	+12.7%	+58.2%	+133%
<b>Sector Average</b>	+2.7%	+8.2%	21.1%	+25.6%	+27.8%	+64.2%	+134%
<b>Quartile Ranking</b>	4	1	1	2	4	3	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> April 2021)

**Fund size:** £103m  
**Launch date:** 07/06/11  
**Historic yield:** 2.7%  
**No. of holdings:** 39  
**Active share:** 95%  
**Beta:** 1.1  
*Source: Eikon Refinitiv as at 30/04/21*  
**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:** 232.95p  
**B Distribution:** 173.04p

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

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

**Graham Campbell** Chief Executive Director  
**Bettina Edmondston** Investment Director



**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.

**Bettina Edmondston** joined Saracen in 2015 from apoAsset where she was co-manager of the Global Healthcare Fund. She has over 20 years of industry experience.



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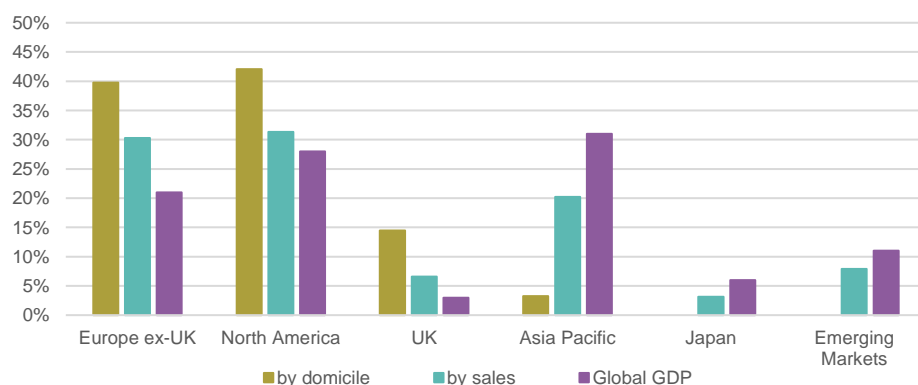
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## Fund Breakdown by Geography



Data as of 30<sup>th</sup> April 2021, Source: Saracen Fund Managers

## Monthly Commentary

### Performance

More economically cyclical businesses were subdued during April after 6 months of strong outperformance. After this rally in share prices, we expect progress to be more measured and company specific. The portfolio remains invested in businesses that will benefit from the global stimulus and economic expansion. During April TB SGIG returned +1.7%, which was behind the Global Equity Income peer group (+2.7%).

### FX

Currency movements had a mixed to slightly negative impact on the fund's performance. Sterling was down 1.9% and 2.6% against the Euro and CHF respectively. It was up 1.0% against the USD.

### Positives

Q1 earnings season kicked off in April with many results coming in better than expected. IPG's (+9.3%) 1.9% organic revenue growth compared to consensus of -1.9%. EPS were \$0.45 vs \$0.15 expected. IPG also gave upbeat 2021 guidance with organic growth of 5-6% and margins at 15.5%, both better than hoped for. AIB (+8%) continued its recovery from last year's lows as inflation and higher interest rates are talked about more frequently. Rio Tinto (+9.5%) rebounded from March's profit taking. Rio is a main beneficiary of economic expansion and fiscal stimulus, yet the shares trade on 7x Y1 PE with a 5.6% yield. IBM (+7%) reported its highest quarterly sales growth in two years. More importantly, the CEO's message of mid single digit top line growth in coming years became more confident and the market is starting to believe it, although it's not reflected in the valuation yet at 12x Y1 PE. Hugo Boss (+14.4%) continued its recovery and reacted to take over rumours.

### Negatives

Intel (-8.6%) reported strong Q1 but could not reassure the market about its investment needs for new factories amongst the shortage of chips. eBay's (-7%) Q1 results were better than hoped but the outlook for Q2 fell short of expectations due to the continued low visibility. Barclays (-6.4%) surprised the market with higher costs going forward. This should be offset by higher revenues to still result in an improved cost income ratio. Merck's (-4.2%) non covid vaccines and medicines were impacted by a decline in new patient starts. This should reverse once life gets back to normal. Valeo (-8.6%) reported sales above expectations and reiterated its FY outlook, but the shares drifted due to concerns over the shortage of computer chips hurting auto production.

### Portfolio activity

At the end of April we sold our holding in Prudential and reinvested the proceeds into HSBC, which is up 9% since our purchase. We purchased Prudential in the March 2020 at 730p and sold at 1483p as we felt the valuation was stretched and the yield too low.

## April – Attribution \*

Top Contributors	Positive
Interpublic	+0.33%
AIB	+0.31%
Rio Tinto	+0.25%
IBM	+0.21%
Hugo Boss	+0.21%
Top Detractors	Negative
Intel	-0.29%
eBay	-0.28%
Barclays	-0.21%
Merck	-0.15%
Valeo	-0.10%

\*Source: Saracen Fund Managers as at 30/04/21

## Fund Breakdown

Top 10 Holdings	
Interpublic Group	4.0%
Cisco	3.8%
IBM	3.5%
Saint Gobain	3.5%
Philip Morris	3.5%
Danone	3.5%
eBay	3.5%
Barclays	3.4%
Roche	3.3%
DBS	3.2%

Sector breakdown	
Financials	20.0%
Industrials	17.9%
Healthcare	14.4%
Technology	13.8%
Basic Materials	13.3%
Consumer Goods	8.8%
Consumer Services	7.6%
Oil & Gas	3.8%
Utilities	0.0%
Cash	0.5%

	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)  
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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 – 6<sup>th</sup> May 2021**