

TB Saracen Global Income and Growth Fund

July 2021

SARACEN
share success

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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 (%)

— TB Saracen Global Income & Growth Fund B Acc
— IA Global Equity Income Sector (TR)



*Source: Financial Express, as at 30th July 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 July 2021

	1 month	3 months	6 months	1 year	3 years	5 years	Since launch*
TB SGIG B Acc	+2.1%	+4.5%	+17.1%	+33.3%	+14.3%	+46.3%	+144%
Sector Average	+0.5%	+2.6%	+11.0%	+22.9%	+24.2%	+50.8%	+140%
Quartile Ranking	1	1	1	1	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 30th July 2021)

Fund size: £106m
Launch date: 07/06/11
Historic yield: 2.7%

No. of holdings: 40
Active share: 95%
Beta: 1.04

Source: Eikon Refinitiv as at 30/07/21

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: 243.49p
B Distribution: 178.04p

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

ACD:
T. Bailey Fund Services Limited

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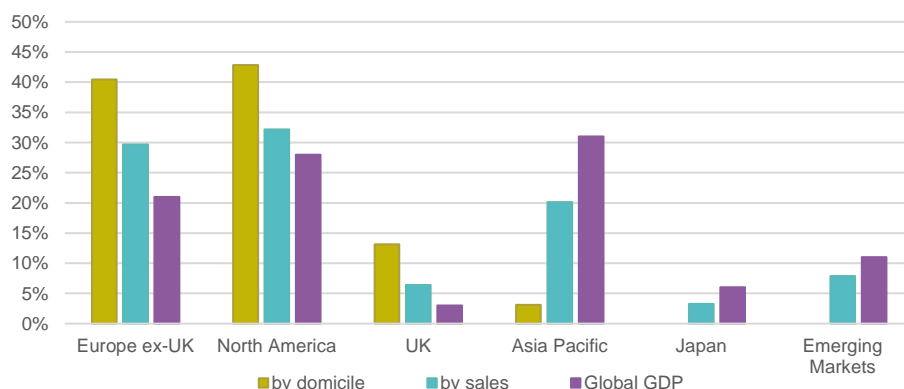


Signatory of:



CCC B BB BBB A AA AAA

Fund Breakdown by Geography



Data as of 30th July 2021, Source: Saracen Fund Managers

Monthly Commentary

Performance

July was the start of earnings season, which offered many tailwinds for the fund. Generally, industrial sectors surprised to the upside both on sales and margins and we saw many names increasing their FY guidance. On the staples side the picture looked different with input cost pressures higher than expected and cuts to FY margins. One pleasant exception for us was Danone. During July TB SGIG returned +2.1%, which was ahead of the Global Equity Income peer group (+0.5%).

FX

Currency movements had a negative impact on the fund's performance. Sterling was down 0.8% and 0.7% against the USD and Euro respectively and up 1.2% against the CHF.

Positives

Interpublic (+10%) reported almost 20% organic growth for Q2, or +8% compared to Q2 2019. This was driven by a rebound in advertising but also by market share gains. The company increased its FY organic sales guidance and margins. RELX (+10%) saw three of its four divisions outperforming in H1 and said it sees scope for FY organic growth to be above historical trends. Most importantly, STM (journals) showed an acceleration of growth, including open access, which has been an overhang for the shares for some time now. St Gobain (+6.7%) showed almost 10% organic growth in Q2 vs. 2019, helped by market share gains and strong momentum, particularly in renovation in Europe. Having spoken to management we feel reassured that many drivers are structural and that the company is transforming into a higher growth/higher margin area compared to its past. The valuation is still undemanding at 13x 1Y PE. UBS (+6.4%) showed very strong performance across the board with Q2 revenue up 16% y/y, costs below expectation, adjusted profit up 71% and an increase in CET to 14.5%. Novo Nordisk (+9.1%) continued its strong run from June after the launch of its obesity drug.

Negatives

Intel (-5.4%) shares retreated despite better-than-expected H1 numbers and an in-depth presentation on how it aims to regain its leadership position in chip manufacturing. We believe Intel shares are priced almost as a lost cause at 11x 1Y PE. Valeo (-5.5%) also surprised positively at H1 and the long-term drivers are intact, but investors can't see past the current temporary shortage of chips leading to depressed car sales. AIB (-5.7%) drifted with falling bond yields. Schlumberger's (-7%) margin was a positive surprise, as was its FCF generations. Nevertheless, the shares retreated with a declining oil price. IBM (-2.5%) reported better than expected numbers and raised its guidance but saw profit taking.

Portfolio activity

There were no major trades in July.

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual Charge	Ongoing ** Charge
B Acc Shares	GB00B5B35X02	B5B35X0	SARBACC LN	SARGGIFA	0%	0.75%	1.01%
B Dis Shares	GB00B3XPLG55	B3XPLG5	SARGIGA LN	SARGGIFD	0%	0.75%	1.01%

** Source: T Bailey Fund Services Ltd

July – Attribution *

Top Contributors	Positive
Interpublic	+0.39%
RELX	+0.25%
Saint Gobain	+0.23%
UBS	+0.22%
Novo Nordisk	+0.18%
Top Detractors	Negative
IBM	-0.11%
Schlumberger	-0.12%
AIB	-0.13%
Valeo	-0.13%
Intel	-0.16%

*Source: Saracen Fund Managers as at 30/07/21

Fund Breakdown

Top 10 Holdings	
Interpublic Group	4.3%
eBay	4.2%
Roche	4.2%
Cisco	4.0%
Saint Gobain	3.8%
Philip Morris	3.6%
Danone	3.5%
IBM	3.4%
Barclays	3.2%
DBS	3.1%

Sector breakdown	
Industrials	19.2%
Financials	18.4%
Healthcare	16.1%
Technology	14.2%
Basic Materials	11.7%
Consumer Goods	8.5%
Consumer Services	8.1%
Oil & Gas	3.4%
Utilities	0.0%
Cash	0.5%

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 include:



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 – 3rd August 2021