

# TB Saracen UK Alpha Fund

October 2019

**SARACEN**  
share success

Signatory of:



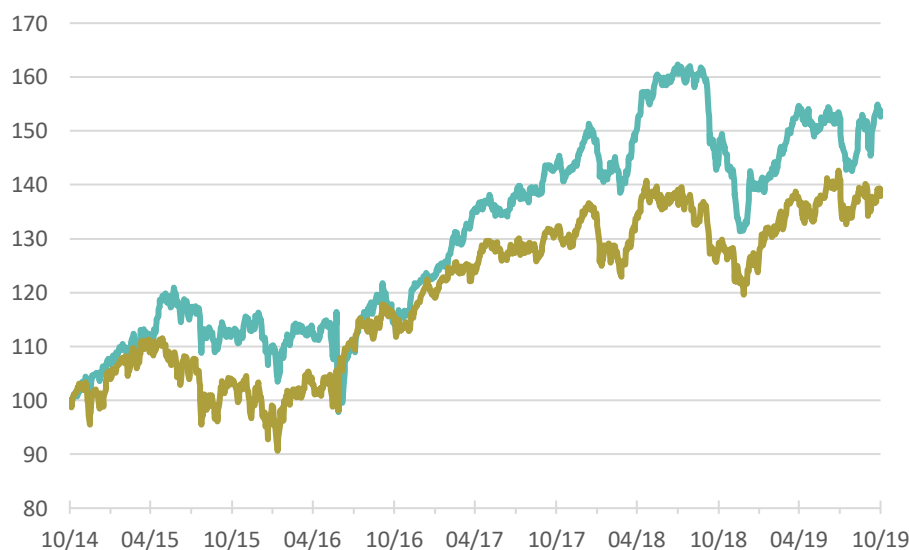
## Fund Overview

- Objective: to achieve a higher rate of return than the MSCI UK All Cap Index by investing in a portfolio of primarily UK equity securities with the potential for long term growth.
- 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 at a competitive annual charge.
- The Fund recently celebrated its 20<sup>th</sup> anniversary and, since launch in March 1999, has outperformed its benchmark in 16 out of 20 years and in 8 out of the last 10 calendar years.
- A concentrated portfolio of 25-35 holdings, with a focus on capital growth, backed by the Saracen research process.

## Performance Chart\*

5 Year Performance (%)

— TB Saracen UK Alpha Fund B Acc  
— MSCI UK All Cap Index (TR)



\*Source: Bloomberg, as at 31<sup>st</sup> October 2019

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 charges to 31<sup>st</sup> October 2019

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Alpha B Acc</b>	0.6%	0.1%	5.2%	33.7%	52.7%	681.5%
<b>MSCI UK All Cap Index (TR)</b>	-1.5%	-2.5%	6.0%	18.3%	36.0%	
<b>Sector Average</b>	-0.3%	-1.0%	6.8%	19.0%	37.2%	184.6%
<b>Quartile Ranking</b>	2	2	3	1	1	1

Source: Financial Express; \*launch date 05 March 1999

Sector: IA Sector (UK All Companies)

## FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

### FUND DETAILS

(as at 31<sup>st</sup> October 2019)

**Fund size:** £13.2m  
**Launch date:** 05/03/99

**No. of holdings:** 32  
**Active share:** 93%  
*Source: Bloomberg*

**Denomination:** GBP

**Valuation point:** 12 noon

### Fund prices:

**A Accumulation: 477.88p**  
**B Accumulation: 781.47p**

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

### ACD:

**T. Bailey Fund Services Limited**

**Scott McKenzie**  
Fund Manager

**David Clark**  
Fund Manager



**Scott McKenzie** joined Saracen in August 2014 and has managed the fund since June 2017. **David Clark** joined the team in March 2019. Both David and Scott have over 25 years' experience managing UK equity funds.



# TB Saracen UK Alpha Fund

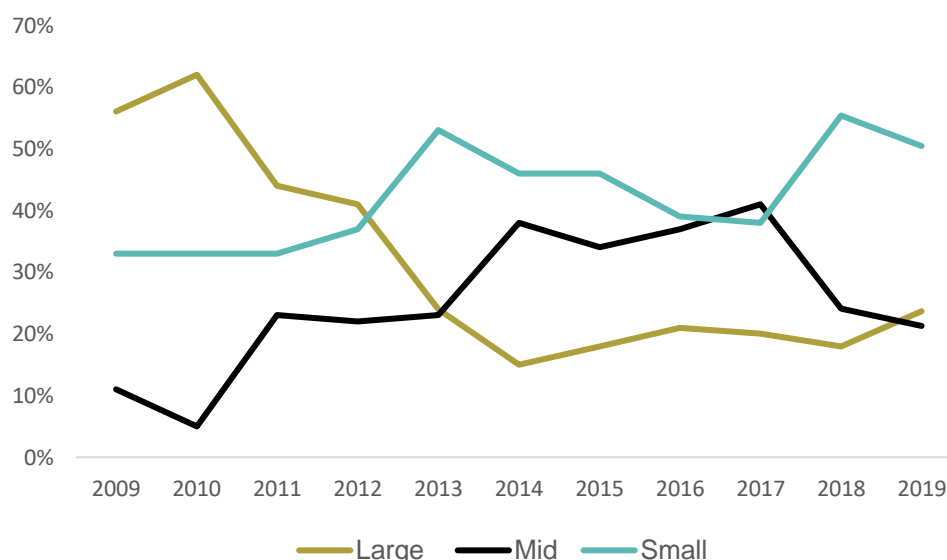
October 2019

**SARACEN**  
share success

Signatory of:



## Fund Breakdown by Market Capitalisation



Data as of 31<sup>st</sup> October 2019, Source: Saracen Fund Managers

## Monthly Commentary

### Performance

The Fund made solid progress in October, rising by 0.6% in comparison to a 1.5% decline in the MSCI UK All Cap Index. It was an incredibly volatile month with wild swings between value and growth styles as well as huge variances between mid and largecap stocks in the UK, fuelled by the ongoing Brexit saga and a strong rally in sterling. Overall the trends were broadly helpful for the portfolio, given our bias towards mid and smallcaps, as well as our more domestically focussed earnings mix.

### Positives

There was a strong recovery in Kin & Carta after a previous warning and they bounced by 17%. Construction stocks fared well as Brexit hopes rose, with Polypipe rising by 11% and Galliford Try by 9%, with the latter still in talks with Bovis. Standard Life Aberdeen rose by 6% as they continued to realise value from their Indian investments and financials in general were positive, with Barclays producing solid results and Prudential demerging the M&G business. We also had solid progress in some of our smallcap holdings with Avon Rubber, Palace Capital, DiscoverIE and STV all rising nicely.

### Negatives

The main laggard was Synthomer, which fell 13% on a profit warning in Europe. Having bounced in September, U&I, TI Fluid Systems and Tyman drifted backwards whilst Imperial Brands and Wood Group continued to struggle post recent disappointing reports. Alpha FMC also fell again, with profit momentum having slowed a little of late.

### Portfolio Activity

A new holding was bought in Clinigen, a healthcare services business. We added to several holdings including Galliford Try, Polypipe, Superdry and Mattioli Woods. Cash currently stands at 4.7%.

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual Charge	Ongoing * Charge
B Acc Shares	GB0005711196	0571119	SFMGRBA LN	SARGFB	0%	0.75%	1.19%

\* Source: T Bailey Fund Services Ltd.

## October – Attribution \*

Top Contributors	Positive
Kin & Carta	+0.50%
Galliford Try	+0.37%
Barclays	+0.35%
Polypipe	+0.30%
Standard Life Aberdeen	+0.24%
Top Detractors	Negative
Synthomer	-0.56%
U&I Group	-0.33%
Tyman	-0.29%
Wood Group	-0.28%
Alpha FMC	-0.26%

\*Source: Bloomberg as at 31/10/19

## Fund Breakdown

Top 10 Holdings	
Standard Life Aberdeen	4.6%
Barclays	4.3%
MJ Gleeson	4.2%
Melrose	4.2%
Galliford Try	3.8%
Palace Capital	3.7%
Synthomer	3.7%
Equiniti	3.7%
Rio Tinto	3.5%
Prudential	3.5%

Sector breakdown	
Industrials	33.3%
Financials	27.4%
Consumer Goods	15.7%
Basic Materials	7.3%
Consumer Services	6.6%
Healthcare	2.8%
Oil & Gas	2.3%
Telecoms	0.0%
Technology	0.0%
Utilities	0.0%

**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. 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.

Issued by Saracen Fund Managers Limited. Please note that Saracen Fund Managers Limited do not provide financial advice. If you have any doubt whether the TB Saracen UK Alpha Fund is suitable for you and you wish to receive advice you should contact your Financial Adviser.

**Regulatory Status:**

FCA Recognised: Yes  
Scheme Type: OEIC (UCITS)

**Issue date – 31<sup>st</sup> October 2019**