

# TB Saracen UK Alpha Fund

January 2020

**SARACEN**  
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## 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> January 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.

## Cumulative Performance after all charges to 31<sup>st</sup> January 2020

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Alpha B Acc</b>	-1.31%	13.3%	23.2%	40.6%	62.1%	788.5%
<b>MSCI UK All Cap Index (TR)</b>	-3.2%	1.9%	9.83%	17.2%	33.9%	
<b>Sector Average</b>	-2.4%	4.8%	13.2%	20.1%	36.6%	198.3%
<b>Quartile Ranking</b>	1	1	1	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> January 2020)

**Fund size:** £15m  
**Launch date:** 05/03/99

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

**Denomination:** GBP

**Valuation point:** 12 noon

### Fund prices:

**A Accumulation: 540.28p**  
**B Accumulation: 885.17p**

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

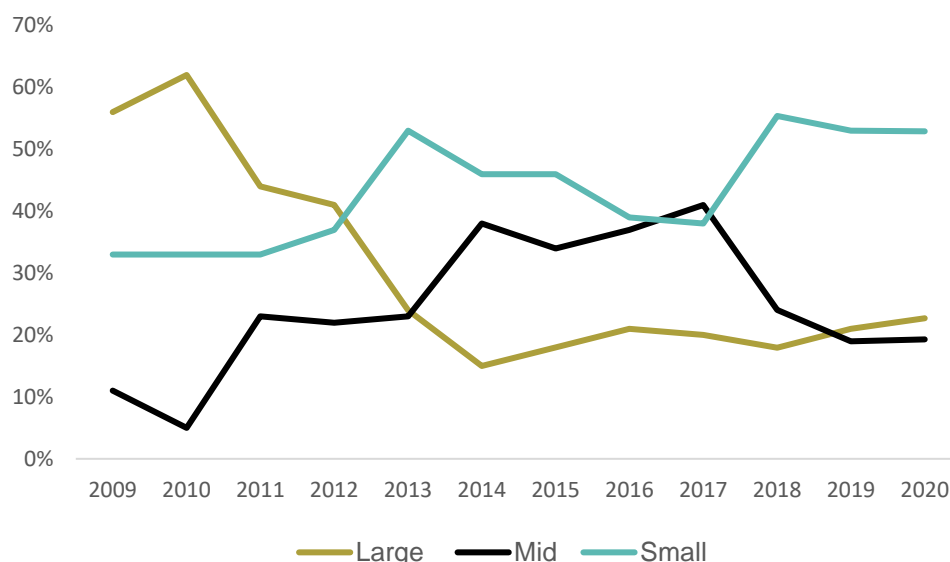
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## Fund Breakdown by Market Capitalisation



Data as of 31<sup>st</sup> January 2020 Source: Saracen Fund Managers

## Monthly Commentary

### Performance

After a strong end to 2019 it was a more subdued January for the Fund, with the shares falling by 1.3%. However, this was well ahead of the MSCI UK All Cap Index return of -3.2%. The month was dominated by concerns over the coronavirus outbreak which saw profit taking across global markets. Within the market cap indices, small cap held up relatively well, ending the month almost flat and this was broadly helpful for the Fund.

### Positives

Our most positive contributors were mainly amongst our smaller company holdings with UK domestic businesses Galliford Try and Eurocell doing well again, and others such as Kin & Carta (+10%), Chemring (+13%) and Clinigen (+4.9%) making good progress. Intermediate Capital continued its strong run of form, rising by 8.2%, whilst our new holding in Vistry (ne Bovis) increased by 4.3%.

### Negatives

Our main laggard was Superdry, which fell 24% in response to another profit warning, this time regarding weak Christmas sales. Two smaller companies, Restore and Premier Miton, were subject to profit taking. The coronavirus had an impact on holdings with high Chinese exposure including autos business TI Fluid Systems (-11%) as well as Rio Tinto (-9%) and Prudential (-7%). We saw profit taking in a number of financials too, including Barclays and Standard Life Aberdeen.

### Portfolio Activity

There were two trades during the month. After a successful investment over many years we sold the holding in Avon Rubber, following a substantial re-rating. A new position was bought in chemicals business Johnson Matthey, where uncertainty about long term structural changes in the automotive markets has left the shares very lowly rated. Cash currently stands at 5%.

## January – Attribution \*

Top Contributors	Positive
Galliford Try	+0.55%
Kin & Carta	+0.36%
Chemring	+0.35%
Avon Rubber	+0.32%
Vistry	+0.22%
Top Detractors	Negative
Superdry	-0.71%
Standard Life Aberdeen	-0.35%
Premier Miton	-0.33%
Rio Tinto	-0.33%
Johnson Matthey	-0.29%

\*Source: Bloomberg as at 31/1/20

## Fund Breakdown

Top 10 Holdings	
Vistry Group	4.6%
MJ Gleeson	4.4%
Standard Life Aberdeen	4.1%
Synthomer	4.1%
Alpha FMC	4.0%
Barclays	3.9%
Palace Capital	3.8%
Kin & Carta	3.6%
Rio Tinto	3.2%
Chemring	3.2%

Sector breakdown	
Financials	29.2%
Industrials	28.8%
Consumer Goods	16.7%
Basic Materials	9.6%
Consumer Services	5.3%
Healthcare	2.9%
Oil & Gas	2.3%
Telecoms	0.0%
Technology	0.0%
Utilities	0.0%

	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.

**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. 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 –31<sup>st</sup> January 2020