

TB Saracen UK Income Fund

January 2020

SARACEN
share success

Signatory of:

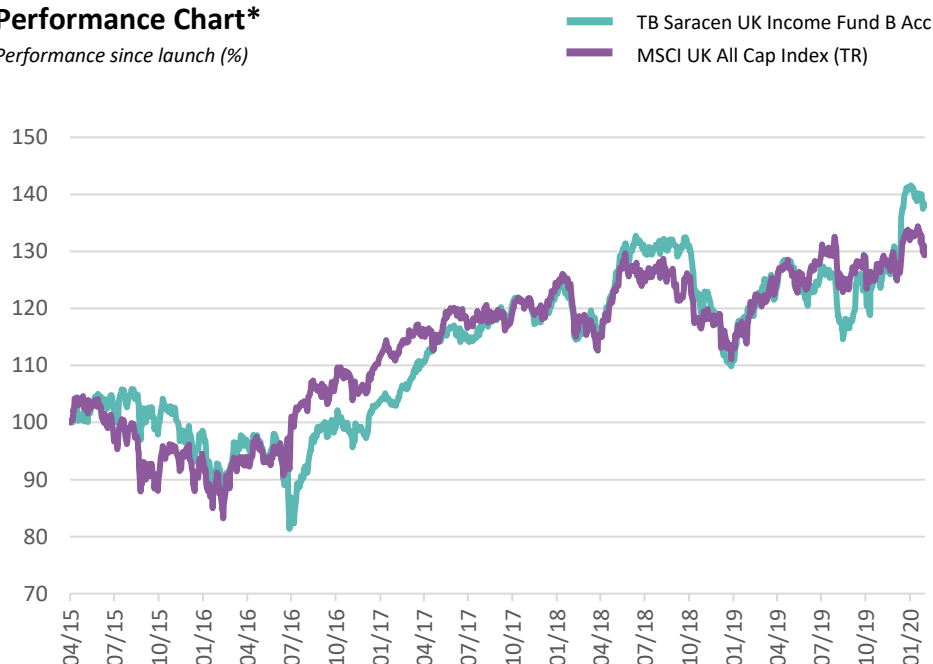


Fund Overview

- 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 at a competitive annual charge.
- 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 (%)



*Source: Bloomberg, as at 31st 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 31st January 2020

	1 month	3 months	1 year	3 years	Since launch*
TB Saracen UK Income B Acc	-3.1%	10.4%	13.7%	32.2%	36.6%
MSCI UK All Cap Index (TR)	-3.2%	1.9%	9.8%	17.2%	30.7%
Sector Average	2.6%	4.4%	11.4%	16.6%	27.1%
Quartile Ranking	3	1	2	1	1

Source: Financial Express; * launch date 01 April 2015

Sector: IA Sector (UK Equity Income)

FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

FUND DETAILS

(as at 31st January 2020)

Fund size: £4.0m
Launch date: 01/04/15

Historic yield: 5.3%

No. of holdings: 29
Active share: 88%

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: 136.51p
B Distribution: 107.36p

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 launch. **David Clark** joined the team in March 2019. Both David and Scott have over 25 years' experience managing UK equity funds.

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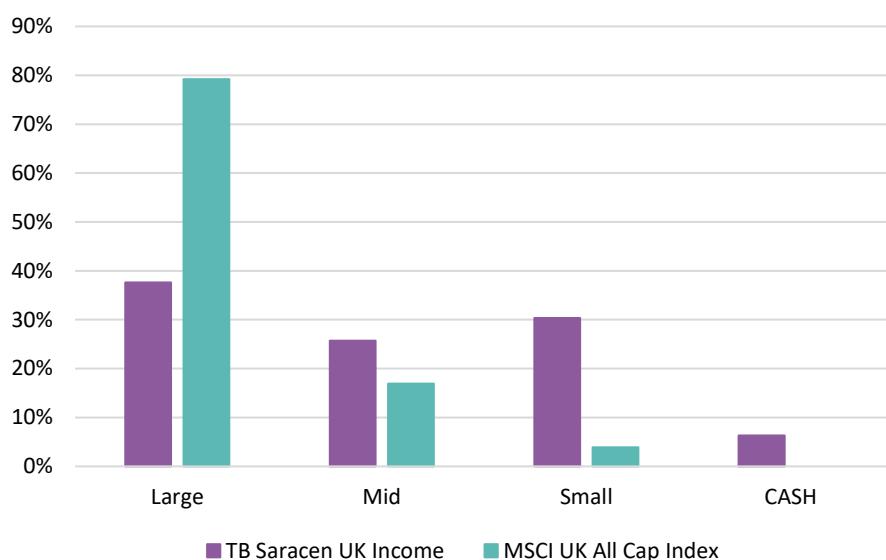
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Fund Breakdown by Market Capitalisation



Data as of 31st 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 fund falling by 3.1%, broadly in line with 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.

Positives

Our most positive contributors were mainly amongst our smaller company holdings with UK domestic businesses such as Gateley and Eurocell continuing to do well, along with small real estate companies Palace Capital and U&I. 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. The coronavirus had an impact on holdings with high Chinese exposure including Rio Tinto (-9%) and TI Fluid Systems (-11%). We saw profit taking in a number of financials including Lloyds, Close Brothers and Standard Life Aberdeen.

Portfolio Activity

The residual holding in Galliford Try was sold as it is unlikely to pay a dividend this year. We took some profit in Alpha FMC and added to the holding in Royal Dutch, which now yields 7%. We invested some cash inflows in a number of existing holdings, including WPP, Halfords, Wood Group and Eurocell. The Fund currently offers a historic dividend yield of 5.3% and holds 6% of the portfolio in cash.

January – Attribution *

Top Contributors	Positive
Galliford Try	+0.66%
Gateley	+0.31%
Vistry	+0.22%
Imperial Brands	+0.20%
Intermediate Capital	+0.20%
Top Detractors	Negative
Superdry	-0.51%
DS Smith	-0.50%
Royal Dutch Shell	-0.45%
Lloyds Banking	-0.40%
WPP	-0.40%

*Source: Bloomberg as at 31/1/20

Fund Breakdown

Top 10 Holdings	
Vistry Group	4.8%
DS Smith	4.3%
Gateley	4.3%
Imperial Brands	4.3%
Aviva	4.1%
Lloyds Banking	4.0%
Standard Life Aberdeen	3.9%
Phoenix	3.8%
Royal Dutch Shell 'B'	3.7%
WPP	3.6%

Sector breakdown	
Financials	32.6%
Industrials	16.8%
Consumer Goods	15.6%
Consumer Services	12.4%
Basic Materials	9.2%
Oil & Gas	6.6%
Healthcare	0.0%
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 – 31st January 2020