

# TB Saracen UK Income Fund

July 2021

**SARACEN**  
share success

## 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.
- 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.

Signatory of:



### FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

### FUND DETAILS

(as at 30<sup>th</sup> July 2021)

**Fund size:** £2.4m  
**Launch date:** 01/04/15

**No. of holdings:** 32  
**Active share:** 94%

Source: Refinitiv Eikon

**Denomination:** GBP  
**Valuation point:** 12.00 noon

**XD date:** 2 Jan  
1 July

**Pay date:** 28/29 Feb  
31 Aug

**Fund prices:**  
**B Accumulation:** 143.72p  
**B Distribution:** 108.31p

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

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

## Performance Chart\*

5 Year Performance (%)

— MSCI UK AllCap Index (TR)  
— TB Saracen UK Income Fund B Acc



\*Source: Refinitiv Eikon, as at 30<sup>th</sup> 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 charges to 30<sup>th</sup> July 2021

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Income B Acc</b>	-0.08%	0.1%	49.3%	9.0%	55.6%	34.5%
<b>MSCI UK All Cap Index (TR)</b>	0.6%	1.8%	26.8%	3.1%	29.2%	33.6%
<b>Sector Average</b>	0.9%	2.5%	30.5%	6.1%	27.6%	31.8%
<b>Quartile Ranking</b>	4	4	1	2	1	1

Source: Financial Express; \* launch date 01 April 2015

Sector: IA Sector (UK Equity Income)

Note – MSCI AllCap Index returns shown are at market close whilst fund and sector returns are at noon pricing points.



**David Clark**  
Fund Manager

David Clark joined the team in March 2019. David has over 30 years' experience managing a variety of UK equity funds including unit trusts, life and pension funds and investment trusts across the whole range of market capitalisations.

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## Fund Breakdown by Market Capitalisation



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

## Monthly Commentary

### Market Background

The FTSE100 index was broadly flat through July while the MID250 rose by around 2.5% and the FTSE Small Cap index was also broadly flat though did fall some 4% during the month before staging something of a comeback. Distributions in the form of dividends have leapt in the last few months – Q2 payouts jumped 51% to £25.7bn and the full year bill is expected to be around £71bn (versus 2019 level of £100bn). It has also become apparent that a number of corporates are struggling with cost inflation whether it is wage increases as a result of the difficulty in hiring staff or raw material cost increases putting pressure on margins. Freight costs too have been rising. We have seen that UK stocks during July continued to underperform their European peers despite the UK market looking much cheaper than its continental rivals on almost every measure.

### Performance

The UK Income fund struggled during July as a number of its small and mid cap holdings suffered from some profit taking during the month most notably Halfords. In addition, our Consumer Staples holdings posted negative contributions as rising costs became more of an issue. Underlying trading in the majority of the fund's holdings remains good and in many cases well ahead of the same period in 2019. However, we are confident that the UK economy is enjoying a strong come-back after the pandemic and retailers as well as leisure and hospitality stocks look to benefit from the significant cash piles that have been built in UK households.

### Portfolio Activity

We took profits in a number of stocks during the month including Vistry, U+I, Aviva, Abrdn, DS Smith, Tate & Lyle and Wood Group. No outright sales were made and there were no purchases during July.

## July – Attribution \*

Top Contributors	Positive
Headlam	+0.51%
BHP	+0.27%
STV	+0.21%
Abrdn	+0.12%
Paypoint	+0.11%
Top Detractors	Negative
Halfords	-0.48%
Tyman	-0.23%
WPP	-0.22%
Aviva	-0.20%
FRP Advisory	-0.17%

\*Source: Refinitiv Eikon as at 30.7.21

## Fund Breakdown

Top 10 Holdings	
Vistry Group	5.1%
Imperial Brands	4.8%
WPP	4.8%
Phoenix	4.4%
FRP Advisory	4.4%
Aviva	3.9%
Tyman	3.7%
Lloyds Bank	3.6%
Premier Miton	3.6%
Close Brothers	3.5%

Sector breakdown	
Industrials	28.3%
Financials	21.4%
Consumer Discretionary	13.9%
Materials	10.4%
Communication Services	8.3%
Health Care	5.7%
Information Technology	3.8%
Consumer Staples	3.3%
Real Estate	2.6%
Energy	2.3%
Utilities	0.0%

	ISIN	SEDOL	Bloomberg	EMX	Initial Charge	Annual Charge	Ongoing**
B Acc Shares	GB00BW9H1K24	BW9H1K2	BBG008D4LJ68	SARUKIFACC33	0%	0.50%	1.53%
B Dis Shares	GB00BW9H1L31	BW9H1L3	BBG008D4LJF8	SARUKIFDIS33	0%	0.50%	1.53%

\*\* 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 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](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 –5th August 2021