

# TB Saracen UK Alpha Fund

October 2021

**SARACEN**  
share success

MSCI  
ESG RATINGS



Signatory of:

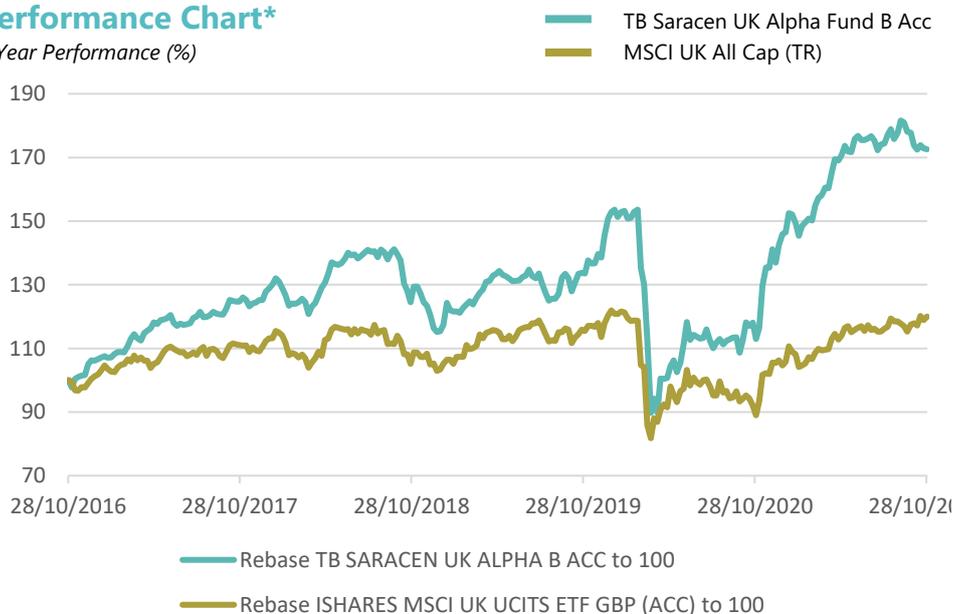
**PRI** Principles for Responsible Investment

## 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 has, since launch in March 1999, outperformed its benchmark in 18 out of 22 years and in 9 out of the last 11 calendar years.
- A concentrated portfolio of 25-35 holdings, with a focus on capital growth,

## Performance Chart\*

5 Year Performance (%)



\*Source: Refinitiv Eikon, as at 30<sup>th</sup> September 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 29<sup>th</sup> October 2021

	1 month	3 months	1 year	3 years	5 years	Since launch*
<b>TB Saracen UK Alpha B Acc</b>	-1.8%	-1.0%	52.7%	36.3%	73.2%	916.2%
<b>MSCI UK All Cap Index (TR)</b>	1.8%	3.4%	36.3%	14.9%	28.2%	
<b>Sector Average</b>	0.3%	1.7%	37.2%	24.1%	38.3%	230.7%
<b>Quartile Ranking</b>	4	4	1	1	1	1

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

Sector: IA Sector (UK All Companies)

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

### FOR PROFESSIONAL INVESTORS ONLY

Retail investors should consult their financial advisers

### FUND DETAILS

(as at 29<sup>th</sup> October 2021)

**Fund size:** £12.4m

**Launch date:** 05/03/99

**No. of holdings:** 32

**Active share:** 95%

Source: Refinitiv Eikon

**Denomination:** GBP

**Valuation point:** 12 noon

**Fund prices:**

**B Accumulation: 1012.48p**

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



**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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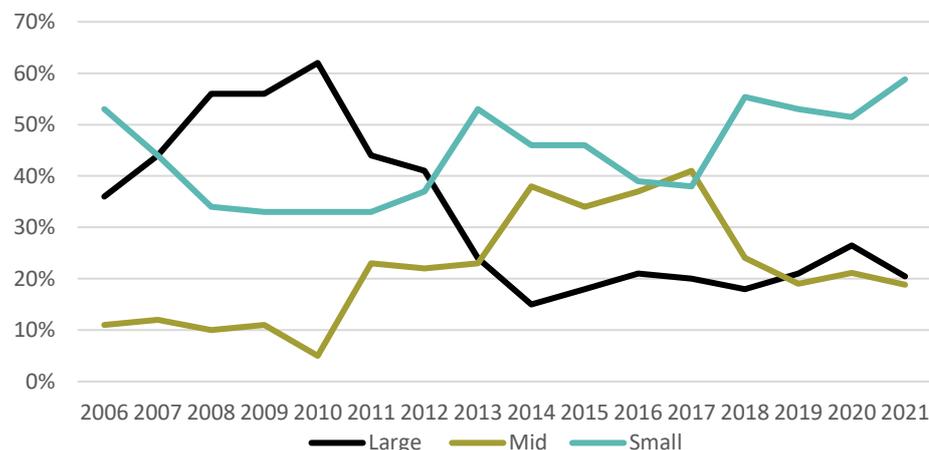
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## Fund Breakdown by Market Capitalisation



Data as of 29th October 2021 Source: Saracen Fund Managers

## Monthly Commentary

### Market Background

The UK market has retreated somewhat from its recent bounce despite superior EPS trends which seem to have done little to support UK equities in the year to date. However, some forecasts from analysts have moderated a little as they attempt to factor in the implications of rising supply and other input costs and the consequent implications for margins. Stock market leadership was pretty narrow during the month focussing mostly on energy and bank stocks and retail investor sentiment is now as bearish as in October 2020. Concerns over energy prices, stagflation, Chinese growth and central bank tapering persist.

### Performance

The portfolio performed poorly over the month due to its lack of representation in bank and energy stocks. In addition, our portfolio of industrial stocks was badly hit as market participants worried about supply chain issues affecting the likes of Tyman, Eurocell and Melrose. Halfords too was hit for similar reasons. Although we have given up a few months of outperformance we remain positive on the outlook for the remainder of this calendar year and would not be surprised if the small and mid cap segments of the market were to stage a comeback. We are happy with the value tilt of the portfolio given inflation risks.

### Portfolio Activity

We have traded a few of the holdings in the Alpha fund during October. Most notably we added to our position in Brickability as our confidence in the story grows. We also initiated holdings in Wincanton, the provider of logistics and supply solutions, and Gateley, the legal services provider, as we see both businesses likely to benefit from the current UK macro economic conditions. We sold our holding in ABRDN as we felt it was now more fairly valued and exited the disappointing position in John Wood Group. We also trimmed our position in Melrose as we have concluded that the near term valuation does not reflect the risks inherent in the stock notably the chip shortage. We also sold some Palace Capital over book value concerns.

## October – Attribution \*

Top Contributors	Positive
Marlowe	+0.28%
Intermediate Capital	+0.28%
Barclays	+0.25%
DFS Furniture	+0.15%
Vistry	+0.07%
Top Detractors	Negative
Tyman	-0.44%
Halfords	-0.36%
Chemring	-0.30%
Melrose	-0.25%
STV	-0.21%

\*Source: Refinitiv Eikon as at 29.10.21

## Fund Breakdown

Top 10 Holdings	
Vistry	4.56%
Intermediate Capital	4.36%
Kin + Carta	4.35%
Barclays	3.97%
Inspects	3.90%
Premier Miton	3.89%
FRP Advisory	3.79%
Tyman	3.72%
TT Electronics	3.60%
Alpha FMC	3.48%
<b>TOTAL</b>	<b>39.62%</b>

Sector breakdown	
Industrials	32.45%
Financials	18.74%
Consumer Discretionary	13.36%
Materials	10.94%
Information Technology	7.96%
Healthcare	6.02%
Communication Services	4.85%
Consumer Staples	3.21%
Real Estate	0.66%
Energy	0.00%
Utilities	0.00%

	ISIN	SEDOL	Bloomberg	Initial Charge	Annual Charge	Ongoing * Charge
B Acc Shares	GB0005711196	0571119	SFMGRBA LN	0%	0.75%	1.12%

\* 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](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)

