



**Saracen Investment Funds
ICVC**

Interim Report and Unaudited Financial Statements
For the six months ended 30 June 2013

CONTENTS	PAGE
Management and Administration	3
Authorised Status	4
Directors' Statement	4
Aggregate Statement of Total Return	5
Aggregate Statement of Changes in Net Assets Attributable to Shareholders	5
Aggregate Balance Sheet	6
 SARACEN GROWTH FUND	
Investment Manager's Report	7
Comparative Tables	9
Portfolio Statement	11
Summary of Material Portfolio Changes	15
Statement of Total Return	17
Statement of Changes in Net Assets Attributable to Shareholders	17
Balance Sheet	18
Notes to the Financial Statements	19
 SARACEN GLOBAL INCOME & GROWTH FUND	
Investment Manager's Report	20
Comparative Tables	23
Portfolio Statement	25
Summary of Material Portfolio Changes	28
Statement of Total Return	30
Statement of Changes in Net Assets Attributable to Shareholders	30
Balance Sheet	31
Notes to the Financial Statements	32
 General Information	33

MANAGEMENT AND ADMINISTRATION

AUTHORISED CORPORATE DIRECTOR ("ACD")

Saracen Fund Managers Limited
19 Rutland Square
Edinburgh EH1 2BB
Scotland
(Authorised and regulated by the Financial Conduct Authority)

DIRECTORS OF THE ACD

Graham Hugh Campbell
James Clelland Fisher
Daniel Avraham Leaf
John Cameron Spence

INVESTMENT MANAGER

Saracen Fund Managers Limited
19 Rutland Square
Edinburgh EH1 2BB
Scotland
(Authorised and regulated by the Financial Conduct Authority)

DEPOSITARY

BNY Mellon Trust & Depositary (UK) Limited
Registered and Head Office
The Bank of New York Mellon Centre
160 Queen Victoria Street
London EC4V 4LA
England
(Authorised and regulated by the Financial Conduct Authority)

ADMINISTRATOR AND REGISTRAR

SMT Fund Services (Ireland) Limited
Block 5
Harcourt Centre
Harcourt Road
Dublin 2
Ireland
(Regulated by the Central Bank of Ireland)

AUDITOR

Deloitte LLP
Lomond House
9 George Square
Glasgow G2 1QQ
Scotland

AUTHORISED STATUS

Saracen Investment Fund ICVC (the "Company") is an open-ended investment company incorporated in Scotland under registration number SI000005 and authorised by the Financial Services Authority with effect from 19 January 1999. On 1 April 2013, the Financial Services Authority (FSA) was split into two bodies; the 'Prudential Regulation Authority' ("PRA") and the 'Financial Conduct Authority' ("FCA"). As from 1 April 2013, the Company is regulated by the FCA.

The Company is a "UCITS Scheme" and the currency of the Company is pounds sterling ("GBP" or "£").

Shareholders are not liable for the debts of the Company.

DIRECTORS' STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority.

The Directors are of the opinion it is appropriate to continue to adopt the going concern basis in the preparation of the accounts as the assets of the Company consist predominately of securities that are readily realisable and, accordingly, the Company has adequate resources to continue in operational existence for the foreseeable future.

On behalf of Saracen Fund Managers Limited, ACD of the Company:

G H Campbell (Director)
Saracen Fund Managers Limited
Authorised Corporate Director

23 August 2013

J C Spence (Director)
Saracen Fund Managers Limited
Authorised Corporate Director

23rd August 2013

AGGREGATE STATEMENT OF TOTAL RETURN

For the six months ended 30th June 2013

Notes	30.06.13		30.06.12	
	£	£	£	£
Income:				
Net capital gain		3,722,735		1,603,149
Revenue	1,077,537		800,683	
Expenses	(378,991)		(299,162)	
Finance costs: Interest	(930)		(200)	
Net revenue before taxation	697,616		501,321	
Taxation	(49,383)		(20,392)	
Net revenue after taxation		648,233		480,929
Total return before distributions		4,370,968		2,084,078
Finance costs: Distributions		(104,062)		(121,859)
Change in Net Assets Attributable to Shareholders from investment activities		<u>4,266,906</u>		<u>1,962,219</u>

AGGREGATE STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six months ended 30th June 2013

Notes	30.06.13		30.06.12	
	£	£	£	£
Opening Net Assets Attributable to Shareholders		40,455,625		38,700,272
Amounts receivable on issue of shares	18,148,925		738,258	
Amounts payable on cancellation of shares	(2,145,160)		(2,612,577)	
		16,003,765		(2,647,783)
Stamp duty reserve tax		(2,199)		(729)
Change in Net Assets		-		-
Change in Net Assets Attributable to Shareholders from investment activities		4,266,906		1,962,219
Retained distribution on Accumulation Shares		-		<u>63,103</u>
Closing Net Assets Attributable to Shareholders		<u>60,724,097</u>		<u>38,850,546</u>

AGGREGATE BALANCE SHEET

As at 30th June 2013

	Notes	30.06.13	30.12.12
		£	£
ASSETS			
Investment assets		59,070,232	39,575,858
Other assets			
Debtors	1,223,611		217,040
Cash and bank balances	<u>1,974,074</u>		<u>996,268</u>
Total other assets		<u>3,197,685</u>	<u>1,213,308</u>
Total assets		<u>62,267,917</u>	<u>40,789,166</u>
LIABILITIES			
Other liabilities			
Creditors	(475,118)		(156,062)
Total other liabilities		<u>(1,543,820)</u>	<u>(333,541)</u>
Total liabilities		<u>(1,543,820)</u>	<u>(333,541)</u>
Net Assets Attributable to Shareholders		<u>60,724,097</u>	<u>40,455,625</u>

INVESTMENT MANAGER'S REPORT

For the six months ended 30 June 2013

INVESTMENT OBJECTIVE

The investment objective of Saracen Growth Fund ("SGF") is to achieve a long term total return on the invested assets at a higher rate than the total return on the FTSE All Share Index. To meet this objective, the ACD will carefully select and invest in a diversified portfolio of primarily United Kingdom equity securities which provide the potential for long term growth. SGF may also invest in overseas securities, and may also invest in cash and near cash, deposits and collective investment schemes. In most cases this is likely to occur only where the ACD considers that equity share prices have become overvalued.

Not more than 10% of SGF's assets can be invested in aggregate in units of other UCITS Schemes (as defined for the purposes of the FCA Rules) or other collective investment undertakings.

Risk will be carefully controlled through diversification and rigorous analysis. In addition to the objective of maximising returns, the ACD will also seek to protect the capital of investors in SGF. SGF would be a "UCITS Scheme" if it were itself an open-ended investment company in respect of which an authorisation order made by the FCA were in force.

The performance benchmark against which the performance of SGF is measured is the total return index of the FTSE All Share. The base currency of this Company is pounds sterling.

ECONOMIC AND MARKET REVIEW

After a strong first quarter of 2013, the feel good factor continued into April and May with the UK stock market reaching levels last seen prior to the financial crisis. The markets rallied with the perception that the macro environment was improving materially and confidence increased on the back of an improvement in underlying data such as housing and employment numbers. Unfortunately, this sentiment was not to last after comments made by the US Federal Reserve in June that they were looking to reduce their asset purchases.

The stock market is still in the middle of a bull market, we believe. The market rose in each of the first five months of 2013 (and indeed for the last seven months of 2012) before retreating in June. The FTSE All Share (Total Return) ended the period under review up 8.5%. It is pleasing to note SGF outperformed the return on its benchmark with a total return to investors of 8.8% on the Alpha shares and 9.1% on the Beta shares.

Activity Report

During the first half of 2013, three new companies were added to the portfolio and five were sold. New stocks within the fund were NCC Group, Victrex and Hogg Robinson whilst we sold our holdings in Vesuvius, Alent, Imperial Tobacco, Royal Dutch Shell and GlaxoSmithKline.

NCC Group provides information security, escrow, software testing and web performance services worldwide, helping to protect business critical information.

INVESTMENT MANAGER'S REPORT

For the six months ended 30 June 2013 (continued)

ACTIVITY REPORT

Victrex is the world's leading manufacturer of high performance thermoplastic polymers. The company comprises two divisions: Victrex Polymer Solutions which focuses on the transport, industrial and electronics markets and Invibio Biomaterial Solutions which provides specialist solutions for medical device manufacturers.

Hogg Robinson is a corporate services provider specialising in travel, expense and data management. The company is an outsourcer for multi-national companies and governments offering a complete travel solution securely and effectively.

We exited our positions in Vesuvius and Alent following the demerger of the companies by Cookson. Although both shares had performed well, we felt the upside had been significantly reduced.

GlaxoSmithKline had appreciated by over 20% year to date prior to the sale. Royal Dutch Shell and Imperial Tobacco, a mainstay of SGF, were sold in order to help fund new holdings within the portfolio.

Many of SGF's investments performed very strongly including Gleeson (MJ), Howden Joinery, STV Group and GKN. Invensys, Chemring and Development Securities were other notable performers which contributed to our outperformance.

OUTLOOK

We feel the outlook for the UK stockmarket is positive despite the economic and political backdrop in both Europe and the USA. Many companies continue to perform well operationally and trade on low ratings. That said, the world economy still faces headwinds from the financial crisis of 2008 and until something more permanent than a sticking plaster is applied, global markets will continue to be volatile and share prices will respond accordingly.

We look to the future with confidence for our stocks. Companies have, on the whole, made great progress over the course of the last four years, strengthening their balance sheets, controlling costs and building for the future. It is our belief that valuations do not properly reflect opportunities, mainly due to investor nervousness and the continued flight to bonds. Merger and acquisition activity is gathering pace and we believe will continue whilst valuations remain attractive, company balance sheets are strong and interest rates are low.

As always, fellow shareholders, we thank you once again for your continued support: it is very much appreciated.

Craig Yeaman & Jim Fisher
2 August 2012

COMPARATIVE TABLES

PERFORMANCE RECORD

Calendar Year	Share Class	Highest Price p	Lowest Price p	Distribution per Share p
2008	Alpha Beta	270.72 415.59	140.29 216.31	2.1616 5.4399
2009	Alpha Beta	197.94 306.89	125.23 193.36	3.2051 6.6391
2010	Alpha Beta	231.68 361.01	178.46 277.40	2.3999 4.9852
2011 [^]	Alpha Beta			2.2863 5.1237

[^] Please note the highest and lowest prices for 2011 are shown in pounds below and from 3 June 2011 the Net Assets and distribution per Share are reported in pounds.

		£	£	£
2011	Alpha Beta	2.43 3.80	1.90 2.97	
2012	Alpha Beta	2.48 3.90	2.14 3.35	0.0249 0.0563
2013*	Alpha Beta	2.82 4.44	2.51 3.95	0.0366 0.0758

* To 30 June 2013

NET ASSETS

Date	Share Class	Net Assets £	Shares in Issue	Net Assets per Share p
31.12.10	Alpha Beta	5,950,656 39,440,732	2,593,190 11,029,939	229.47 357.58

COMPARATIVE TABLES (Cont.)

NET ASSETS

As per below from 3 June 2011 the Net Assets per Share is reported in pounds.

Date	Share Class	Net Assets £	Shares in Issue	Net Assets per Share p
31.12.11	Alpha Beta	17,544,599 16,817,319	8,323,956 5,094,548	2.1077 3.3010
30.06.12	Alpha Beta	18,998,089 16,301,833	7,709,676 4,202,823	2.4642 3.8788
30.06.13	Alpha Beta	20,824,444 17,516,415	7,767,137 4,140,323	2.6811 4.2307

ONGOING CHARGES FIGURE

Expense Type		30.06.13 % Beta		31.12.12 % Beta
	Alpha		Alpha	
Ongoing Charges Figure*	1.77**	1.27**	1.77	1.27

*The Ongoing Charges Figure (OCF) represents the annual operating expenses of the Fund expressed as a percentage of average net assets for the year. The OCF is expressed as an annual percentage rate.

The Ongoing Charges Figure replaces the previously disclosed Total Expense Ratio following the introduction of UCITS IV and publication of the Key Investor Information Document (KIID).

** Figures as per 31 December 2012 audited accounts.

Synthetic Risk and Reward Indicator (SRRI): As disclosed in the most recent Key Investor Information Document (KIID) the SRRI figure for the period of this report is 6.

PORTFOLIO STATEMENT

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.06.13 %	31.12.12 %
EQUITIES				
UNITED KINGDOM				
AEROSPACE & DEFENCE				
257,590	Avon Rubber	1,138,548	2.97	
202,145	Chemring Group	574,294	1.50	
		1,712,842	4.47	3.98
AUTOMOBILES & PARTS				
686,000	GKN	2,066,918	5.39	4.47
CHEMICALS				
790,000	Elementis	1,733,260	4.52	
47,000	Victrex Plc	725,680	1.89	
		2,458,940	6.41	4.91
CONSTRUCTION MATERIALS				
440,252	Tyman Plc	909,120	2.37	-
ELECTRONIC & ELECTRICAL EQUIPMENT				
77,537	XP Power	952,930	2.49	
406,404	Zytronic	595,382	1.55	
		1,548,312	4.04	5.89
FINANCIAL SERVICES				
353,000	Brewin Dolphin Holdings	826,373	2.46	
346,400	City of London Investment Group	852,144	3.43	
52,430	Rathbone Brothers	828,393	2.16	
		2,506,910	6.54	6.06
GENERAL FINANCIAL				
220,000	Aberdeen Asset Management	842,160	2.20	
450,000	LionTrust	860,624	2.24	
		1,702,784	4.44	2.81

PORTFOLIO STATEMENT (Cont.)

		Total Net Assets		
Holding	Portfolio of Investments	Value £	30.06.13 %	31.12.12 %
	EQUITIES (continued)			
	UNITED KINGDOM (continued)			
	GENERAL INDUSTRIALS			
210,000	RPC Group	858,900	2.24	5.04
	HEALTHCARE			
500,000	Futura Medical	335,000	0.87	0.81
	HOUSE, LEISURE & PERSONAL GOODS			
53,000	Berkeley Group Holdings	1,129,430	2.95	
446,659	MJ Gleeson Group	1,304,244	3.40	
		2,433,674	6.35	4.43
	INDUSTRIAL ENGINEERING			
240,000	Hill & Smith Holdings	1,080,000	2.82	
123,200	IMI	1,527,680	3.98	
60,000	Weir Group (The)	1,290,600	3.37	
		3,898,280	10.17	9.92
	INVESTMENT COMPANIES (AIM LISTED)			
77,146	Brooks Macdonald Group	1,107,045	2.89	2.86
	LEISURE			
41,500	Carnival Corp	950,350	2.48	2.09
	LIFE INSURANCE			
500,500	Legal & General Group	857,857	2.24	3.30
	MEDIA			
699,527	STV Group	954,854	2.49	2.03

PORTFOLIO STATEMENT (Cont.)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.06.13 %	31.12.12 %
EQUITIES (continued)				
UNITED KINGDOM (continued)				
MINING				
406,500	Anglo Pacific Group	690,034	1.80	
12,500,000	Ormonde Mining	577,500	1.51	
		1,267,534	3.31	5.44
MOBILE TELECOMMUNICATIONS				
464,800	Vodafone Group	873,127	2.28	2.05
OIL & GAS PRODUCERS				
98,150	BG Group	1,097,808	2.86	
313,850	BP	1,428,802	3.73	
290,198	Resaca Exploitation	11,608	0.03	
		2,538,218	6.62	9.20
PHARMACEUTICALS & BIOTECHNOLOGY				
28,630	AstraZeneca	891,825	2.33	4.52
REAL ESTATE				
469,238	Development Securities	858,706	2.24	1.27
SOFTWARE & COMPUTER SERVICES				
184,945	Craneware	633,437	1.65	
480,000	Invensys	1,980,480	5.17	
368,000	NCC Group	422,280	1.10	
		3,036,197	7.92	7.67

PORTFOLIO STATEMENT (Cont.)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.06.13 %	31.12.12 %
	EQUITIES (continued)			
	UNITED KINGDOM (continued)			
	SUPPORT SERVICES			
450,000	Hogg Robinson	297,000	0.77	
600,000	Howden Joinery	1,520,400	3.97	
		<u>1,817,400</u>	<u>4.74</u>	3.07
	TECHNOLOGY HARDWARE & EQUIPMENT			
1,421,045	Concurrent Technologies	<u>744,628</u>	<u>1.94</u>	2.17
	TOBACCO	<u>-</u>	<u>-</u>	2.29
	TRAVEL & LEISURE			
464,000	Cupid	<u>334,080</u>	<u>0.87</u>	1.71
	Portfolio of investments	<u>36,663,501</u>	<u>95.64</u>	97.71
	Other Net Assets	<u>1,677,358</u>	<u>4.36</u>	2.29
	Total Net Assets	38,340,859	100.00	100.00

The investments are valued in accordance with Note 1, listed on official exchanges and are ordinary shares unless stated otherwise.

SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the six months ended 30 June 2013

Total Purchases for the Six Months	£4,824,588
Major Purchases	Cost £
LionTrust	756,769
Victrex Plc	752,097
Tyman Plc	711,957
NCC Group	704,020
Brewin Dolphin Holdings	321,636
Hogg Robinson	299,197
Development Securities	262,607
Carnival Corp	257,874
Tyman	202,133
MJ Gleeson Group	159,083
Cupid	132,926
BG Group	98,445
Elementis	85,280
RPC Group	80,564

SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the six months ended 30 June 2013 (continued)

Total Sales for the Six Months	£5,440,481
Major Purchases	Proceeds £
Royal Dutch Shell 'B'	956,716
GlaxoSmithKline	916,685
Imperial Tobacco Group	706,213
Vesuvius	581,980
Alent	521,160
Legal & General Group	505,387
Invensys	460,200
Aberdeen Asset Management	204,152
NCC Group	150,755
Rathbone Brothers	146,374
Brewin Dolphin Holdings	89,691
Hill & Smith Holdings	81,211
Howden Joinery	53,816
Zytronic	36,676
Tyman	17,133
Brooks Macdonald Group	12,332

The summary of material portfolio changes represents the 14 purchases and 16 largest sales during the period. There were no other purchases or sales during the period.

STATEMENT OF TOTAL RETURN
For the six months ended 30 June 2013

Notes	30.06.13	30.06.12
£	£	£
Income:		
Net capital gains	2,805,499	1,551,887
Revenue	627,040	652,489
Expenses	(278,851)	(272,206)
Finance costs: Interest	-	(143)
Net revenue before taxation	348,189	380,140
Taxation	-	-
Net revenue after taxation	348,189	380,140
Total return before distributions	3,153,688	1,932,027
Finance costs: Distributions	(764)	(7,658)
Change in Net Assets Attributable to Shareholders from investment activities	<u>3,152,924</u>	<u>1,924,369</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the six months ended 30 June 2013

Notes	30.06.13	30.06.12
£	£	£
Opening Net Assets Attributable to Shareholders	35,299,922	34,361,918
Amounts receivable on issue of shares	994,048	141,689
Amounts payable on cancellation of shares	(1,105,104)	(2,402,740)
	(111,056)	(2,261,051)
Stamp duty reserve tax	(931)	(489)
Change in Net Assets Attributable to Shareholders from investment activities	<u>3,152,924</u>	<u>1,924,369</u>
Closing Net Assets Attributable to Shareholders	<u>38,340,859</u>	<u>34,024,747</u>

BALANCE SHEET
As at 30 June 2013

	Notes	31.06.13	31.12.12
		£	£
ASSETS			
Investment assets		36,663,501	34,493,238
Other assets			
Debtors	1,077,190		174,827
Cash and bank balances	<u>822,194</u>		<u>746,302</u>
Total other assets		<u>1,899,384</u>	<u>921,129</u>
Total assets		<u>38,562,885</u>	<u>35,414,367</u>
LIABILITIES			
Other liabilities			
Creditors	(222,026)		(114,445)
Total other liabilities		<u>(222,026)</u>	<u>(114,445)</u>
Total liabilities		<u>(222,026)</u>	<u>(114,445)</u>
Net Assets Attributable to Shareholders		<u>38,340,859</u>	<u>35,299,922</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2012 and are described in those annual financial statements.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') issued by the Investment Management Association in October 2010.

INVESTMENT MANAGER'S REPORT

For the six months ended 30 June 2013

INVESTMENT OBJECTIVE

The investment objective of Saracen Global Income & Growth Fund ("SGIG") is to provide a long-term total return, through investing in a portfolio of global equity securities. There is an explicit recognition that income is an important factor for many investors and a significant contributor to long-term investment returns. The objective of SGIG is to provide Accumulation Shares and Distribution Shares with the aim of providing a degree of income to investors together with building capital. To meet this objective, the ACD will carefully select and invest in a diversified portfolio of primarily overseas securities which provide the potential for income and long-term growth.

These securities will be chosen from certain overseas markets, including the United Kingdom and may comprise equity and fixed interest securities, or otherwise as permitted by the FCA Rules. The number of securities held within the portfolio may be restricted if this is deemed to be necessary at the discretion of the ACD. SGIG may also invest in cash and near cash, deposits and collective investment schemes. In addition to maximising returns, the ACD will also seek to protect the capital of investors.

Not more than 10% of SGIG's assets can be invested in aggregate in units of other UCITS Schemes (as defined for the purposes of the FCA Rules) or other collective investment undertakings.

The ACD will employ a value based approach. Risk will be carefully controlled through diversification and rigorous analysis.

The Fund intends to help satisfy investors' appetite for a reliable source of income in an environment of low interest rates and bond yields. By investing in a global portfolio, we believe that we have been able to identify high quality investments trading at low valuations with scope to grow dividends.

As managers we have committed a significant portion of our own money in the Fund, thereby ensuring that we are directly aligned with all other investors.

ECONOMIC AND MARKET REVIEW

Markets continued their upward momentum from the tail end of last year during the period under review. Although global economic forecasts were reined back over the period, investors became increasingly confident that the worst has passed and could look forward towards a semblance of recovery. In reality, the US is experiencing an anaemic recovery, there are signs that Europe has weathered the storm and Chinese growth has slowed but is still running at over 7%. Against this far from convincing background, SGIG produced a total return of +16.0%. In comparison, the FT All Share provided a total return of +8.5% and the FTSE World +14.8%.

Although there are still considerable imbalances in the global financial system, central banks have been determined to keep interest rates low until recovery returns. Towards the end of the half year, markets wobbled after the Federal Reserve indicated that it was considering weaning the economy off quantitative easing if it demonstrated sufficient growth. Such a policy change should be viewed positively for equities as economic growth should create an environment which encourages managements to increase capital expenditure and pursue growth strategies. After five lean years in the wake of the financial crisis there are signs that the corporate and consumer sectors are more willing to loosen their purse strings.

INVESTMENT MANAGER'S REPORT

For the six months ended 30 June 2013 (continued)

ECONOMIC & MARKET REVIEW (Continued)

It is also encouraging to report that capital markets have cranked into action and started to function effectively following a series of successful IPO's, rights issues and share placements. Investors have increasingly been willing to support companies which have turned to capital markets to help fund future growth. Indeed as the half progressed there was mounting evidence that the paltry yields on offer from government securities was finally encouraging the much awaited switch into equities.

ACTIVITY REPORT

Our portfolio activity was unusually busy during the half year. We sold holdings in Aberdeen Asset Management, Imperial Group, Heinz and Reckitt Benckiser. New positions were acquired in Credit Suisse, GKN, Kraft, Sandvik, Abbvie, Givaudan, Hugo Boss, National Grid and BMW.

The balance of the Fund has gradually shifted over the course of this year. Our investment philosophy is firmly stock based and we do not tilt the portfolio towards reflecting any broad economic view. All our activity is influenced by the attractiveness of valuations of individual companies. Nevertheless, as we have initiated new holdings, sold out of positions and added to existing holdings, there have been some perceptible shifts in the Fund's overall exposures.

- We have reduced the number of holdings of consumer staples. Both Imperial Group and Reckitt Benckiser have been sold as the valuations had run ahead of their prospects. Heinz was subject to an agreed takeover. While their ratings are no longer compelling, we have retained our other holdings in this sector as the companies continue to generate reliable and consistently growing returns.
- The cyclicity of SGIG has increased. The fund has slowly been accumulating positions in a number of capital goods and chemicals companies. These are groups which have leading market positions and earn high margins reflecting their technical expertise and close relationships with a global customer base. Although we recognise that economies remain challenged and that recovery is likely to be uneven with uncertain timing, stocks are not valued for recovery. Meanwhile balance sheets are strong and reasonable dividend yields should help mitigate any bumps in the road.
- SGIG has become even more orientated towards higher growth companies. We have always eschewed high yielding bond proxies with limited potential for a progressive dividend policy. It is gratifying to report that we have been able to add such names as Givaudan and Hugo Boss. We have liked these businesses for some time and had been waiting for suitable entry points. Both groups are operating in markets which promise excellent long term growth prospects and offer premium starting dividend yields.

INVESTMENT MANAGER'S REPORT

For the six months ended 30 June 2013 (continued)

ACTIVITY REPORT (Continued)

SGIG has been designed to provide investors with a reliable and steadily growing income stream. As investors have returned to the equity market, initial flows have been committed to companies with reliable earnings profiles which offer sustainable yields above those available from government securities. As these companies have re-rated, we have found better value in more economically sensitive sectors. We cannot claim any special insight into predicting the timing of a concerted global recovery, but after five years of recession we are now closer to a turning point. We have been attracted by the valuations of a number of companies which should result in SGIG benefiting from an eventual improvement in the economic backdrop.

OUTLOOK

Despite the positive signs there are still many uncertainties to overcome before the global economy is truly back on a growth track. Unemployment remains high in western economies and emerging markets are experiencing weaker levels of growth. Nevertheless the general direction is improving and we do not envisage a return to the dark days which plagued sentiment over the past few years.

Although equity ratings are no longer at bargain basement levels, we are still identifying good quality investment opportunities offering attractive returns. SGIG comprises a portfolio of market leading companies which should be capable of paying sustainable and rising dividends even during difficult times. In addition, as discussed above, we are confident that the Fund is well positioned to benefit from a gradually improving economic backdrop. As markets rise, we will remain vigilant that the portfolio continues to provide appropriate long term value for our shareholders.

Thank you for your continued support for the Fund. We will continue to endeavour to provide value to you, our fellow shareholders, over the coming years.

Graham Campbell and Daniel Leaf

9 August 2013

COMPARATIVE TABLES

PERFORMANCE RECORD

Calendar Year		Highest Price P	Lowest Price P	Distribution per Share P
2008		100.00	100.00	-
2009		100.00	100.00	-
2010		100.00	100.00	-

This sub-fund had been dormant during the years above until it was successfully re-launched on 8 June 2011.

As per below from 3 June 2011 the Net Assets and distribution per Share are reported in pounds.

	Share Class	£	£	£
2011	Accumulation	1.01	0.87	-
	Distribution	1.01	0.87	-
2012	Accumulation	1.12	0.96	0.0088
	Distribution	1.09	0.95	0.0336
2013*	Accumulation	1.37	1.13	0.0354
	Distribution	1.31	1.08	0.0366
	A Accumulation	1.12	1.00	-
	A Distribution	1.12	1.00	0.0188

* To 30th June 2013

NET ASSETS

Date		Net Assets P	Shares in Issue	Reported Net Assets per Share P
31.12.10		100	100	100.00

As per below from 3 June 2011 the Net Assets per Share are reported in pounds.

	Share Class	£		£
31.12.11	Accumulation	2,598,118	2,655,389	0.9780
	Distribution	1,740,236	1,796,335	0.9779
31.12.12	Accumulation	2,671,418	2,564,707	1.1098
	Distribution	2,484,285	2,279,534	1.0727
31.12.13	Accumulation	8,774,452	6,817,802	1.2870
	Distribution	4,716,398	3,911,479	1.2319
	A Accumulation	3,402,029	3,226,348	1.0545
	A Distribution	5,490,359	5,301,318	1.0545

COMPARATIVE TABLES (Cont.)

TOTAL EXPENSE RATIO

Expense Type	Accumulation	30.06.13 % Distribution	A Accumulation	30.06.13 % A Distribution
Ongoing Charges Figure*	1.26**	1.26**	–**	–**

Expense Type	Accumulation	31.12.12 % Distribution	A Accumulation	31.12.12 % A Distribution
Ongoing Charges Figure*	1.26	1.26	–	–

*The Ongoing Charges Figure (OCF) represents the annual operating expenses of the Fund expressed as a percentage of average net assets for the year. The OCF is expressed as an annual percentage rate.

The Ongoing Charges Figure replaces the previously disclosed Total Expense Ratio following the introduction of UCITS IV and publication of the Key Investor Information Document (KIID).

** Figures as per 31 December 2012 audited accounts. A Accumulation and A Distribution Class were not in existence at 31 December 2012 therefore no Ongoing Charges Figure for these classes has been disclosed.

Synthetic Risk and Reward Indicator (SRRI): As disclosed in the most recent Key Investor Information Document (KIID) the SRRI figure for the period of this report is 6.

PORTFOLIO STATEMENT

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.06.13 %	31.12.12 %
	EQUITIES			
	UNITED KINGDOM			
130,000	Ashmore Group	446,810	2.00	
12,500	AstraZeneca	389,375	1.74	
84,000	BP	382,410	1.71	
16,500	Diageo	310,200	1.39	
150,000	GKN	451,950	2.02	
26,500	GlaxoSmithKline	436,720	1.95	
70,000	HSBC Holdings	477,400	2.13	
35,000	IMI	434,000	1.94	
60,000	Inmarsat	404,100	1.81	
54,300	Marks and Spencer	233,870	1.04	
50,000	National Grid	373,000	1.67	
30,000	Pearson	351,300	1.57	
25,000	Royal Dutch Shell 'B'	544,000	2.43	
90,000	Tesco	298,260	1.33	
21,000	Unilever	559,020	2.50	
230,000	Vodafone Group	432,055	1.92	
		<u>6,524,470</u>	<u>29.15</u>	<u>32.51</u>
	CONTINENTAL EUROPE			
	BELGIUM			
6,500	Anheuser-Busch InBev	<u>380,980</u>	<u>1.70</u>	<u>2.09</u>
	FRANCE			
17,500	Eutelsat Communications	<u>327,107</u>	<u>1.46</u>	
7,500	Sanofi	<u>511,776</u>	<u>2.29</u>	
		<u>838,883</u>	<u>3.75</u>	<u>3.80</u>
	GERMANY			
7,500	BASF	441,135	1.97	
5,600	BMW	322,421	1.44	
11,000	Deutsche Boerse	476,740	2.13	
20,000	Deutsche Post	327,300	1.46	
30,500	Deutsche Telekom	234,314	1.05	
4,500	Hugo Boss	326,271	1.46	

PORTFOLIO STATEMENT (Cont.)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.06.13 %	31.12.12 %
	EQUITIES			
	CONTINENTAL EUROPE			
	GERMANY			
	(CONTINUED)			
13,950	Prosieben Sat.1 Media	394,773	1.76	
5,000	Siemens	332,743	1.49	
		<u>2,855,697</u>	<u>12.76</u>	12.18
	LUXEMBOURG			
20,000	SES	<u>377,093</u>	<u>1.68</u>	-
	NETHERLANDS			
11,500	AKZO Nobel	426,906	1.91	
10,500	Koninklijke DSM	450,480	2.01	
40,000	Reed Elsevier	438,799	1.96	
		<u>1,316,185</u>	<u>5.88</u>	6.38
	PORTUGAL			
170,000	EDP-Energias De Portugal	<u>360,595</u>	<u>1.61</u>	2.18
	SPAIN			
28,000	Repsol	<u>388,989</u>	<u>1.74</u>	2.33
	SWEDEN			
22,500	Atlas Copco	356,067	1.60	
31,800	Ericsson	235,933	1.05	
30,000	Sandvik AB	235,034	1.05	
19,000	SKF AB	291,583	1.30	
		<u>1,118,617</u>	<u>1.74</u>	5.28
	SWEDEN			
20,000	ABB Ltd	285,850	1.28	
25,000	Credit Suisse Group	436,406	1.95	
550	Givaudan	467,207	2.09	
11,600	Nestle	500,774	2.24	

PORTFOLIO STATEMENT (Cont.)

Holding	Portfolio of Investments	Value £	Total Net Assets	
			30.06.13 %	31.12.12 %
	EQUITIES			
	CONTINENTAL EUROPE			
	SWITZERLAND			
	(CONTINUED)			
17,000	Novartis	794,903	3.55	
3,750	Roche Holdings	614,103	2.74	
		3,099,243	13.85	10.08
	TOTAL CONTINENTAL EUROPE	10,736,282	47.97	44.32
	PANAMA			
21,000	Carnival Corp	474,777	2.12	1.95
	UNITED STATES			
11,000	Abbvie	299,824	1.34	
14,500	Altria Group	334,514	1.49	
4,000	Chevron	312,100	1.39	
13,000	Coca-Cola	343,794	1.54	
9,750	Colgate-Palmolive	368,287	1.65	
12,509	ConocoPhillips	498,977	2.23	
8,300	Du Pont De Nemours	287,303	1.28	
9,100	Johnson & Johnson	515,152	2.30	
8,500	Kelloggs	359,965	1.61	
10,700	Kraft Foods	394,153	1.76	
5,000	McDonalds	326,368	1.46	
12,650	Microsoft	288,123	1.29	
6,750	Proctor & Gamble	342,642	1.53	
		4,671,202	1.34	19.80
	Portfolio of investments	22,406,731	100.11	98.58
	Net other (liabilities)/assets	(23,493)	(0.11)	1.42
	Net assets	22,383,238	100.00	100.00

The investments are valued in accordance with Note 1, listed on official exchanges and are ordinary shares unless stated otherwise.

SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the year ended 30th June 2013

Total Purchases for the Six Months	£7,917,363
Major Purchases	Cost £
Novartis	540,391
Givaudan	453,148
Credit Suisse Group	452,905
Ashmore Group	441,585
Roche Holdings	422,851
Royal Dutch Shell 'B'	417,991
National Grid	412,006
Nestle	410,666
GKN	404,740
Unilever	402,148
SES	386,127
Johnson & Johnson	372,615
Carnival Corp	372,287
Deutsche Boerse	368,582
HSBC Holdings	361,380
BASF	354,108
AKZO Nobel	348,442
BMW	333,477
ConocoPhillips	331,520
Kraft Foods	330,394

SUMMARY OF MATERIAL PORTFOLIO CHANGES (Cont.)

For the year ended 30th June 2013

Total Sales for the Six Months	£832,238
Major Sales	Proceeds £
Reckitt Benckiser Group	329,605
Heinz	164,956
Aberdeen Asset Management	78,476
Imperial Tobacco Group	66,840
City of London Investment Group	57,883
Deutsche Post	56,134
AKZO Nobel	42,727
BASF	35,617

The summary of material portfolio changes represents the 20 purchases and 8 sales during the period. There were no other sales during the period.

STATEMENT OF TOTAL RETURN
For the six months ended 30th June 2013

Notes	30.06.13		30.06.12	
	£	£	£	£
Income:				
Net capital gain		917,236		51,262
Revenue	450,497		148,194	
Expenses	(100,140)		(26,956)	
Finance costs: Interest	(930)		(57)	
Net revenue before taxation	349,427		121,181	
Taxation	(49,383)		(20,392)	
Net revenue after taxation		<u>300,044</u>		<u>100,789</u>
Total return before distributions		1,217,280		152,051
Finance costs: Distributions		(103,298)		(114,201)
Change in Net Assets Attributable to Shareholders from investment activities		<u>1,113,982</u>		<u>37,850</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the six months ended 30th June 2013

Notes	30.06.13		30.06.12	
	£	£	£	£
Opening Net Assets Attributable to Shareholders		5,155,703		4,338,354
Amounts receivable on issue of shares	17,154,877		596,569	
Amounts payable on cancellation of shares	(1,040,056)		(209,837)	
		16,114,821		386,732
Stamp duty reserve tax		(1,268)		(240)
Change in Net Assets		-		-
Change in Net Assets Attributable to Shareholders from investment activities		1,113,982		37,850
Retained distribution on Accumulation Shares		-		<u>63,103</u>
Closing Net Assets Attributable to Shareholders		<u>22,383,238</u>		<u>4,825,799</u>

BALANCE SHEET

As at 30 June 2013

Notes	31.06.13	31.12.12
	£	£
ASSETS		
Investment assets	22,406,731	5,082,620
Other assets		
Debtors	146,421	42,213
Cash and bank balances	<u>1,151,880</u>	<u>249,966</u>
Total other assets	<u>1,298,301</u>	<u>292,179</u>
Total assets	<u>23,705,032</u>	<u>5,374,799</u>
LIABILITIES		
Other liabilities		
Creditors	(253,092)	(41,617)
Bank overdraft	<u>(1,068,702)</u>	<u>(177,479)</u>
Total other liabilities	<u>(1,321,794)</u>	<u>(219,096)</u>
Total liabilities	<u>(1,321,794)</u>	<u>(219,096)</u>
Net Assets Attributable to Shareholders	<u><u>22,383,238</u></u>	<u><u>5,155,703</u></u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2012 and are described in those annual financial statements.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ('SORP') issued by the Investment Management Association in October 2010.

GENERAL INFORMATION

Head Office: 19 Rutland Square, Edinburgh EH1 2BB.

Address for Service: The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency: The base currency of the Company is GBP. Each sub-fund and share class is designated in GBP.

Shares in the Company have no par value. The share capital of the Company equals the Net Assets of SGF and SGIG and any other sub-fund or funds established by the Company.

STRUCTURE OF THE COMPANY

As at the date of this document, the Company has two funds, SGF and SGIG. Subject to the COLL Sourcebook different funds may be established from time to time by the Company, with the approval of the FCA and the agreement of the Depositary. On the introduction of a new fund or class of Share, a revised prospectus will be prepared, setting out the relevant details of each fund or class of Share.

The assets of each sub-fund will be treated as separate from every other sub-fund, and will be invested in accordance with the investment objective and investment policy applicable to the relevant sub-fund.

REPORT AND ACCOUNTS

A printed version of Saracen Investment Fund ICVC long form accounts for the six months ended 30 June 2013 are available by written request to SMT Fund Services (Ireland) Limited, Block 5 Harcourt Centre, Harcourt Road, Dublin 2, Ireland.

CLASSES OF SHARES

The Company can issue different classes of shares in respect of any sub-fund.

Holders of Income shares are entitled to be paid the income attributable to such shares, in respect of each annual or interim period.

Holders of Accumulation shares are not entitled to be paid the income attributable to such shares, but that income is retained and accumulated for the benefit of shareholders and is reflected in the price of the shares.

Where there is more than one class of share per issue, each class may attract different charges and expenses and so monies may be deducted from the classes in unequal proportions.

VALUATION POINT

The price quoted for SGF and SGIG are determined by reference to their underlying market values of Net Assets at the valuation point.

SGF and SGIG are normally valued at 11:45pm each day for the purpose of determining the share price.

With the agreement of the Depositary, SGF and SGIG may be valued at other times.

GENERAL INFORMATION (Cont.)

BUYING AND SELLING SHARES

Shares may be bought and sold on any business day by application in writing to the Administrator or by email to SMTSHSDealing@sumitrustgas.com or by facsimile to +353 1 6475830 not later than 3pm on the dealing day.

Contract notes are issued for all purchases and sales of shares and will be posted within 24 hours of the next valuation point following receipt of your application.

PRICES

The most recent prices of shares are available on the website of the Investment Management Association at www.investmentuk.org under the heading Saracen Fund Managers, in the Financial Times or by calling 00 353 1 603 9921 during the ACD's normal business hours.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

The sub-funds of an umbrella ICVC are segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the umbrella, or any other sub-fund, and shall not be available for any such purpose. While the provisions of the OEIC Regulations provide for segregated liability between sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulation 11A and 11B of the OEIC Regulations.

CHANGES TO PROSPECTUS

The Company updated the Prospectus dated 1 January 2013. The changes to the Prospectus included the updated name change and contact details for the Administrator, noting the new name shown on page 3. Other revisions to the Prospectus include removal of the ability to charge an initial charge on share classes of SGF (was previously up to 5%) and SGIG is now 0.00%. The ACD may not increase the rate of preliminary charge unless it has given not less than 60 days' written notice to that effect to all shareholders of the relevant class. Price of shares may also be published in one or more United Kingdom newspapers including the Financial Times.