

26 February 2010

Fund Objective

The investment objective of 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 (ASI).

Fund Information

Fund Managers	Craig Yeaman, Jim Fisher
Fund Size	£60m
Fund Price	
Alpha	195.13p
Beta	302.78p

Fund Performance

Total Return (%)	Alpha Shares			Beta Shares		
	SGF	ASI	Relative Performance	SGF	ASI	Relative Performance
1999†	+31.9	+16.2	+13.5	+32.5	+16.2	+14.0
2000	+29.3	-5.9	+37.4	+30.0	-5.9	+38.2
2001	-0.8	-13.3	+14.4	-0.2	-13.3	+15.1
2002	-22.2	-22.7	+0.6	-21.7	-22.7	+1.3
2003	+35.3	+20.9	+11.9	+36.1	+20.9	+12.6
2004	+36.0	+12.8	+20.6	+36.7	+12.8	+21.2
2005	+22.5	+22.0	+0.4	+23.1	+22.0	+0.9
2006	+30.7	+16.8	+11.9	+31.9	+16.8	+13.0
2007	+1.0	+5.3	-4.1	+1.5	+5.3	-3.6
2008	-44.6	-29.9	-20.9	-44.3	-29.9	-20.5
2009	+32.8	+30.1	+2.1	+33.5	+30.1	+2.6
2010	-1.4	-0.3	-1.1	-1.3	-0.3	-1.0
cum*	+184.1	+36.4	+108.3	+202.8	+36.4	+122.0

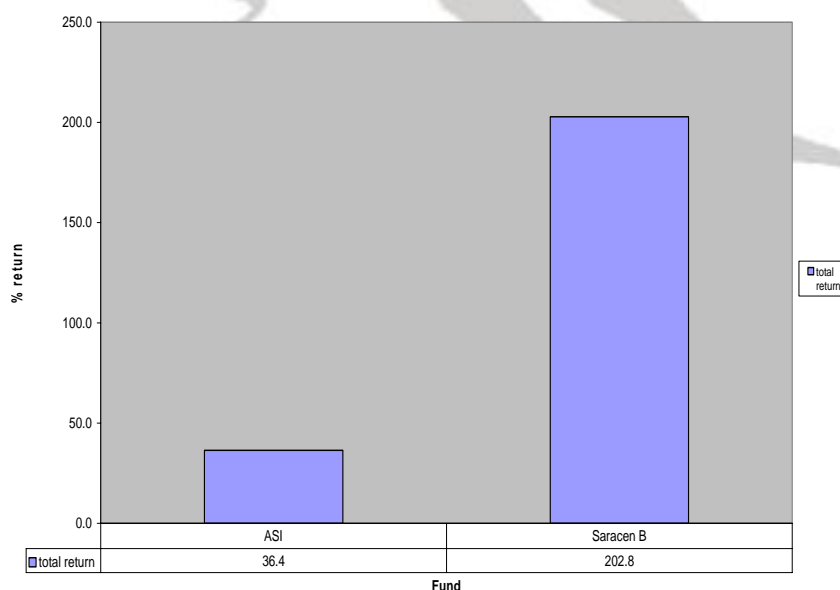
† a notional price that reflects the potential position of the Alpha Shares had they been created at the same time as the Beta Shares

Source : Annual Reports & Accounts of Saracen Investment Funds ICVC

* Source : Saracen Fund Managers Ltd

Fund Breakdown

Saracen performance from inception (05.03.99) - 26.2.10



Top 10 Holdings (% NAV)

BP	6.2
BG Group	5.1
Invensys	4.9
Vodafone Group	4.6
AstraZeneca	4.5
GlaxoSmithKline	4.5
Royal Dutch Shell - B	4.5
Imperial Tobacco	3.6
BT Group	3.3
Weir Group	3.3

Top 10 Sector (% NAV)

Oil & Gas Producers	19.7
Pharmaceuticals & Biotechnology	9.0
Mining	8.7
Software & Computer Services	7.3
Industrial Engineering	6.0
Support Services	5.5
Aerospace & Defence	4.9
Mobile Telecommunications	4.6
Tobacco	3.6
Fixed Line Telecommunications	3.3

Fund Manager's Comments

February proved to be a disappointing month for Saracen Growth Fund. Firstly, looking at markets, the FTSE All Share (Total Return) was 3.4% over the month but the FTSE SmallCap returned negative 0.5%, whereas the FTSE All Share returned 3.8%. This divergence in performance between the indices impacted on the performance of SGF, as approximately 30% of the fund is in the smaller capitalised arena.

As mentioned above, the market performed admirably during the month which is perhaps a little surprising considering the economic news at home and abroad. The market seemed initially preoccupied by default concerns in Greece but this was shrugged off very quickly. Sterling appears to have capitulated against the dollar but this is something which we thought would happen, hence the reason we have a large proportion of dollar earners within the portfolio. Interestingly, the Financial Times reported that investors lost £1.29bn of dividends from UK companies over the last year, which equates to approximately a 15% fall on average, yet only one of the companies held in SGF cut its dividend in 2008.

There was little activity during February in SGF. We continued to take advantage of willing buyers in Plexus Holdings to further reduce our stake and added to our holding in Legal & General. We also added Babcock International after its share price declined following an approach to VT Group.

Investment Manager & ACD

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Custodian

BNY Mellon Trust & Depository (UK) Ltd
160 Queen Victoria Street
London, EC4V 4LA

Accounting Periods

Interim : 30 June
Final : 31 December

Distribution Dates :

Final : 31 March

Minimum Initial Investment

Alpha Shares : £1,000
Beta Shares : £250,000

Sedols

Alpha Shares : 0571108
Beta Shares : 0571119

Bloomberg Ticker

Alpha Shares : SFM GRAALN
Beta Shares : SFM GRBALN

Initial Charge

Alpha Shares : 5.0%
Beta Shares : < 5.0%

Annual Fee

Alpha Shares : 1.5%
Beta Shares : 1.0%

Dilution Levy

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

Regulatory Status of Saracen Growth Fund

FSA Recognised : Yes
Scheme Type : OEIC

Pricing

Single Pricing, forward basis

Issue Date

5 March 1999

Risk Warning

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