SARACEN

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Saracen Investment Funds ICVC

Annual Report and Financial Statements

For the year ended 31 December 2015

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MANAGEMENT AND ADMINISTRATION

AUTHORISED CORPORATE DIRECTOR ("ACD")
Saracen Fund Managers Limited ("SFM")
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
Jamie Matheson
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
43rd Floor
One Canada Square
Canary Wharf
London E14 5AL
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
110 Queen Street
Glasgow G1 3BX
Scotland

AUTHORISED STATUS

Saracen Investment Funds ICVC (the "Company") is an open-ended investment company incorporated in Scotland under registration number SI000005 and was authorised by the Financial Conduct Authority ("FCA") with effect from 19 January 1999.

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 ("COLL") Sourcebook as issued and amended by the FCA.

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.

The Directors confirm there have been no crossholdings between the Sub-Funds of the Company.

On behalf of SFM, ACD of the Company:

________________________ ________________________

Director Director

Date:

STATEMENT OF ACD'S RESPONSIBILITIES

The ACD is responsible for preparing the financial statements in accordance with applicable law and the Statement of Recommended Practice for Financial Statements of Authorised Companies, issued by the Investment Association in May 2014 (the "SORP").

COLL requires the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the sub funds and of the net revenue and of the net capital gains on the scheme property of the Company and the sub funds for that year. In preparing those financial statements, the ACD is required to:

- select suitable accounting policies, as described in the attached financial statements, and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements in accordance with the requirements of the SORP as issued by the Investment Association ("IA"), formerly known as the Investment Management Association ("IMA").

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable it to ensure that the financial statements comply with the COLL Sourcebook. The ACD is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's Auditors are unaware; and
- the ACD has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditors are aware of that information.

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF THE SARACEN INVESTMENT FUNDS ICVC

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2015

The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct's Authority's Collective Investment Schemes Sourcebook ("COLL"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), the Company's Instrument of Incorporation and prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers and restrictions applicable to the Company.

REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF THE SARACEN INVESTMENT FUNDS ICVC FOR THE YEAR ENDED 31 DECEMBER 2015

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Authorised Corporate Director:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the COLL and, where applicable, the OEIC Regulations, the Instrument of Incorporation and Prospectus of the Company; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

For and on behalf of
BNY Mellon Trust & Depositary (UK) Limited
160 Queen Victoria Street
London EC4V 4LA

Manager

16 March 2016

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SARACEN INVESTMENT FUNDS ICVC

We have audited the financial statements of Saracen Investment Funds ICVC ("the company") for the year ended 31 December 2015 which comprise for each sub-fund: the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the distribution tables and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Management Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DEPOSITARY, THE AUTHORISED CORPORATE DIRECTOR (ACD) AND THE AUDITOR

As explained more fully in the Depositary's Responsibilities Statement and the ACD's Responsibilities Statement, the Depositary is responsible for safeguarding the property of the Company and the ACD is responsible for the preparation of the financial statements. Our responsibility is to audit and express an opinion on the financial statements in accordance with the requirements of the Collective Investment Schemes Sourcebook, applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the ACD; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SARACEN INVESTMENT FUNDS ICVC (Cont.)

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the financial position of the company and sub funds as at 31 December 2015 and of the net revenue and the net capital gains and losses on the property of the company and sub funds for the year ended 31 December 2015; and

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice "Financial Statements of Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK

In our opinion:

- proper accounting records for the company and the sub funds have been kept and the financial statements are in agreement with those records;

- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and

- information disclosed in the Annual Report for the year ended 31 December 2015 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Deloitte LLP
Chartered Accountants and Statutory Auditor
Glasgow, United Kingdom
18 April 2016

INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2015

INVESTMENT OBJECTIVE

The investment objective of Saracen Growth Fund ("SGF") is to achieve a return on the invested assets at a higher rate than the 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 SGF is Pounds Sterling.

INVESTMENT REVIEW

2015 proved to be a challenging year for the FTSE All Share, despite the index having made very little headway the prior year. The out-turn was disappointing and much can be laid at the feet of Greece and China. Although the market rose seven months out of twelve, June and August saw the market retreat over 5% due, predominantly, over concerns of a 'Grexit' and worries over slowing growth in China.

During 2015, SGF outperformed its benchmark, the FTSE All Share Index (Total Return). For the year as a whole, Alpha shares achieved a return of 10.1% and Beta shares 10.6% compared with the benchmark total return of 1.0%. Our outperformance will be explained in greater detail later in this Investment Review, however it is pleasing to note SGF has now outperformed its benchmark in fourteen years out of seventeen.

Since inception on 5 March 1999 to 31 December 2015, SGF's Alpha and Beta shares have achieved a total return of 440.9% and 493.6% respectively after all expenses against a total return of 109.7% from the FTSE All Share Index.

PORTFOLIO REVIEW

The composition of the portfolio remained predominantly the same over the course of the year. The addition of two stocks, however, boosted our weighting towards the FTSE 100 whilst reducing our position slightly towards FTSE 250 stocks. At the year end, SGF was positioned 18% in FTSE 100 stocks, 34% in the FTSE 250 arena and 46% within Small Cap and AIM stocks. The remainder was held in cash.

The weighting towards Mid and Small Cap stocks helped SGF outperform over 2015 as both areas handsomely outpaced the FTSE 100. The underweight positions in the Oil & Gas and Resources sectors also had a beneficial impact.

Turning to specific stocks which helped drive this return, our strongest performer over the course of 2015 was **RPC Group**, a leading international plastic products design and engineering company. Over the course of the year saw its share price increase 68% as announcements of acquisitions were taken positively.

PORTFOLIO REVIEW (CONTINUED)

Hogg Robinson Group, the corporate services provider specialising in travel, expense and data management saw its shares increase substantially over the course of the year. The company was one of SGF's laggards last year but during 2015 we saw an increase of 54% before selling the shares.

Housebuilders proved to be a rewarding area for SGF. The fund owns two stocks in this area, **MJ Gleeson** and **Berkeley Group**. Although the companies operate in two distinct areas of the market, their performances in 2015 were similar. MJ Gleeson is predominantly a builder of affordable housing in the North of England whereas Berkeley Group concentrates on building high-end flats and homes in the South East. Gleeson increased 50% and Berkeley Group added 49% in 2015.

AGA Rangemaster was acquired during the year which helped the stock increase 57%. We were disappointed at the turn of events, however, as we believed the company was worth substantially more than the price paid for it.

Other notable performers included **STV**, the national broadcaster for Scotland, **IFG Group**, the diversified financial services company and **Howden Joinery**, the UK's leading supplier of kitchens and joinery products to trade customers. STV and Howden Joinery have now made it into our year-end review four years running.

We continue to have little exposure to either Oil & Gas or Commodity companies or those servicing these sectors. Nevertheless, two of our underperforming stocks, **Weir Group** and **Rio Tinto** fit into these categories. Our other stocks which disappointed over the last year were principally as a result of profit warnings, these being: **entu (UK), Bonmarche, Speedy Hire** and **TalkTalk**.

OUTLOOK

We sit here in Edinburgh at the beginning of 2016, not with a crystal ball, but with a sense of realism about what we can expect this year. As always, there are potential headwinds and tailwinds for the market to focus on. The year has not started well for the stock market with material weakness witnessed.

If we take a step back, however, and focus on the fundamentals, we are not as bearish as many commentators. Some facts are beyond question – China is slowing, growth in many other economies is anaemic and the oil price remains very low. If we had proclaimed just two years ago the price of Brent Crude would fall from $110 per barrel to $30 many shareholders would have locked us up. Indeed, many so-called experts predicted it would hit $200. We don't, and never have, concentrated on the short-term but rather we invest over the long-term.

A continuation of $40 oil is certainly negative for oil stocks and those companies servicing the sector but is a boost to economies in general. Inflation remains low, in part because of the low oil price, and this is unlikely to change materially any time soon.

Other factors, highlighted in the Annual Report last year, continue to hold true. In the main, UK companies are in a very strong position financially. Interest rates are likely to remain at historic lows this year, at home and abroad, and even if they do begin to increase, the pace of tightening will likely be modest. This leads us to believe M&A will once again be prevalent during 2016.

The current volatility being exhibited provides us with an opportunity, as long-term investors, to build positions in quality companies run by strong management teams trading on sensible ratings. Patience will, as ever, remain the key to delivering strong returns over the next number of years.

As always, fellow shareholders, we thank you for your support. It is very much appreciated.

Craig Yeaman
9 February 2016

COMPARATIVE TABLES

Alpha Shares	2015 (p/unit)	2014 (p/unit)	2013 (p/unit)
Change in Dealing NAV per Unit			
Opening Dealing NAV per Unit	**3.38**	**3.30**	**2.46**
Return before operating charges	0.65	0.33	0.96
Operating charges	(0.27)	(0.22)	(0.09)
Return after operating charges	0.38	0.11	0.87
Distributions	(0.04)	(0.03)	(0.03)
Closing Dealing NAV per unit	**3.72**	**3.38**	**3.30**
after transaction costs of:	0.01	(0.01)	-
Performance			
Return after operating charges	11.18%	3.17%	35.36%
Other Information			
Dealing NAV	£4,464,933	£4,745,050	£4,975,351
Operating charges^	1.77%	1.71%	1.72%
Transaction Costs^^	0.31%	(0.18)%	0.04%
Prices			
Highest Unit Price	3.88	3.55	3.30
Lowest Unit Price	3.33	3.04	2.51

^Operating charges represent the annual operating expenses of the SGF expressed as a percentage of the average dealing net assets for the year. The operating charges are expressed as an annual percentage rate.

^^Transaction costs represent the portfolio transaction charges of the SGF for the year expressed as a percentage of the average dealing net assets for the year.

COMPARATIVE TABLES (CONT.)

Alpha Shares	**2015 (p/unit)**	**2014 (p/unit)**	**2013 (p/unit)**
Change in Dealing NAV per Unit			
Opening Dealing NAV per Unit	**5.37**	**5.23**	**3.88**
Return before operating charges	0.75	0.30	1.54
Operating charges	(0.09)	(0.08)	(0.12)
Return after operating charges	0.66	0.22	1.42
Distributions	(0.09)	(0.08)	(0.07)
Closing Dealing NAV per unit	**5.94**	**5.37**	**5.23**
after transaction costs of:	-	-	-
Performance			
Return after operating charges	12.27%	4.18%	36.61%
Other Information			
Dealing NAV	£21,638,699	£20,384,748	£24,909,463
Operating charges^	1.27%	1.21%	1.23%
Transaction Costs^^	0.07%	(0.04)%	0.03%
Prices			
Highest Unit Price	6.19	5.62	5.23
Lowest Unit Price	5.30	4.82	3.95

^Operating charges represent the annual operating expenses of the SGF expressed as a percentage of the average dealing net assets for the year. The operating charges are expressed as an annual percentage rate.

^^Transaction costs represent the portfolio transaction charges of the SGF for the year expressed as a percentage of the average dealing net assets for the year.

Synthetic Risk and Reward Indicator (“SRRI”). As disclosed in the most recent KIID the SRRI figure for the period of this report is 5 (2014: 6).

PORTFOLIO STATEMENT

Holding	Portfolio of Investments	Value £	Total Net Assets 31.12.15 %	Total Net Assets 31.12.14 %
	UNITED KINGDOM			
	AEROSPACE & DEFENCE			
100,949	Avon Rubber	999,395	3.87	3.23
	AUTOMOBILES & PARTS			
440,000	GKN	1,356,080	5.24	5.75
	BANKS			
720,000	Lloyds Banking Group	526,104	2.03	-
	CHEMICALS			
315,000	Elementis	721,665	2.79	
45,000	Victrex Plc	811,800	3.14	
		1,533,465	5.93	7.64
	CONSTRUCTION MATERIALS			
298,571	Eurocell	567,285	2.19	
469,781	Tyman plc	1,382,331	5.35	
		1,949,616	7.54	5.27
	ELECTRONIC & ELECTRICAL EQUIPMENT			
45,702	XP Power	651,254	2.52	2.54
	FINANCIAL SERVICES			
24,786	Rathbone Brothers	540,583	2.09	2.12
	GENERAL FINANCIAL			
250,000	Close Bros Group	641,000	2.48	
500,000	IFG Group	821,902	3.18	
		1,462,902	5.66	4.38
	GENERAL FINANCIAL			
66,000	Keller Group	545,820	2.11	
190,000	Morgan Advanced Materials	470,060	1.82	
195,000	RPC Group	1,505,496	5.82	
		2,521,376	9.75	8.23

PORTFOLIO STATEMENT

Holding	Portfolio of Investments	Value £	Total Net Assets 31.12.15 %	Total Net Assets 31.12.14 %
	UNITED KINGDOM (Cont.)			
	GENERAL RETAILERS			
210,000	Bonmarche	384,300	1.49	
69,000	Dunelm	646,875	2.50	
240,000	Pets at Home	657,360	2.54	
		1,688,535	6.53	4.49
	HEALTHCARE			
700,000	Futura Medical	196,000	0.76	0.99
	HOUSE, LEISURE & PERSONAL GOODS			
37,000	Berkeley Group	1,364,560	5.28	
550,000	entu (UK)	302,500	1.17	
360,000	MJ Gleeson	1,926,000	7.45	
		3,593,060	13.90	13.46
	INDUSTRIAL ENGINEERING			
132,000	Hill & Smith Holdings	991,320	3.83	
30,000	Weir Group (The)	300,000	1.16	
		1,291,320	4.99	7.10
	LEISURE			
-	Carnival	-	-	3.07
	LIFE INSURANCE			
-	Aviva	-	-	1.85
	MEDIA			
310,000	STV	1,596,500	6.17	4.50

PORTFOLIO STATEMENT

Holding	Portfolio of Investments	Value £	Total Net Assets 31.12.15 %	31.12.14 %
	UNITED KINGDOM (Cont.)			
	MINING			
-	Ormonde Mining	-	-	
31,000	Rio Tinto	613,490	2.37	1.29
	OIL & GAS PRODUCERS			
95,000	BG Group	935,465	3.62	2.22
	REAL ESTATE			
285,000	Development Securities	641,250	2.48	3.40
	SUPPORT SERVICES			
350,000	Howden Joinery	1,834,000	7.09	
347,000	Restore	1,030,590	3.99	
		2,864,590	11.08	12.83
	TELECOMS			
160,000	TalkTalk	347,840	1.35	1.94
	TRAVEL & LEISURE			
-	FirstGroup	-	-	1.93
	Portfolio of investments	25,308,825	97.88	98.23
	Other net assets	546,941	2.12	1.77
	Net assets	25,855,766	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 31 December 2015

Total Purchases for the year	**£6,194,340**
Major Purchases	**Cost £**
Rio Tinto	715,485
Ashmore Group	683,941
Pets at Home	681,434
Dunelm	644,530
Lloyds Banking Group	599,380
Eurocell	529,075
DX	457,862
BG Group	354,149
Restore	299,556
RPC Group	239,887
GKN	227,849
IFG Group	208,222
AGA Rangemaster	163,272
Tyman plc	127,652
Bonmarche	85,672
Avon Rubber	71,719
Keller Group	55,618
Weir Group (The)	49,037

SUMMARY OF MATERIAL PORTFOLIO CHANGES
For the year ended 31 December 2015 (Cont.)

Total Sales for the year	**£7,507,100**
Major Sales	**Proceeds** **£**
AGA Rangemaster	1025,175
Carnival	775,766
Close Bros Group	700,569
Speedy Hire	527,754
N Brown	514,939
Aviva	507,798
Hogg Robinson	506,983
FirstGroup	447,744
DX	437,231
IMI	376,966
Development Securities	257,856
Ormonde Mining	237,522
GKN	220,644
MJ Gleeson	196,353
Elementis	162,020
Avon Rubber	158,374
RPC Group	116,283
Howden Joinery	105,148
Bonmarche	73,726
RPC Group Rights 8-Jan-2015	71,919

The summary of material portfolio changes represents the 18 largest purchases and 20 largest sales during the year.

STATEMENT OF TOTAL RETURN
For the year ended 31 December 2015

	Notes		31.12.15		31.12.14
		£	£	£	£
Income:					
Net capital gains	2		1,935,999		354,644
Revenue	3	720,445		722,961	
Expenses	4	(349,994)		(371,595)	
Net revenue before taxation		370,451		351,366	
Taxation	5	-		-	
Net revenue after taxation			370,451		351,366
Total return before distributions			2,306,450		706,010
Finance costs: Distributions	6		(374,440)		(382,524)
Change in Net Assets Attributable to Shareholders from Investment Activities			**1,932,010**		**323,486**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the year ended 31 December 2015

	Notes		31.12.15		31.12.14
		£	£	£	£
Opening Net Assets Attributable to Shareholders			**25,129,798**		**29,884,814**
Amounts receivable on issue of shares		547,212		3,051,386	
Amounts payable on cancellation of shares		(2,127,492)		(8,496,806)	
			(1,580,280)		(5,445,420)
Dilution levy	1		3,683		3,683
Stamp duty reserve tax	1		-		(5,104)
Change in Net Assets Attributable to Shareholders from Investment Activities			1,932,010		323,486
Retained distribution on Accumulation Shares			370,555		339,117
Closing Net Assets Attributable to Shareholders			**25,855,766**		**25,129,798**

BALANCE SHEET
As at 31 December 2015

	Notes		31.12.15		31.12.14
		£	£	£	£
ASSETS					
Fixed assets					
Investment assets	14		25,308,825		24,684,662
Other assets					
Debtors	8	79,538		94,195	
Cash and bank balances		512,844		391,552	
Total other assets			**592,382**		**485,747**
Total assets			25,901,207		25,170,409
LIABILITIES					
Other liabilities					
Creditors	9	(45,441)		(40,611)	
Total other liabilities			(45,441)		(40,611)
Total liabilities			(45,441)		(40,611)
Net Assets Attributable to Shareholders			**25,855,766**		**25,129,798**

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied in both the current and prior year, are set out below:

(a) 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 SORP issued by the IA in May 2014. The financial statements have been prepared in compliance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"). The transition to FRS 102 has resulted in no changes to the reported financial position or financial performance of the Company compared to that presented previously.

(b) GOING CONCERN

The ACD is of the opinion it is appropriate to continue to adopt a going concern basis in the preparation of the accounts as the assets of the Company consist predominantly of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future. Further, appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates, have been used in the preparation of these accounts and applicable accounting standards have been followed.

(c) RECOGNITION OF REVENUE

Dividends on quoted equities and preference shares are recognised when the securities are quoted ex–dividend. Interest on bank and other cash deposits is recognised on an accruals basis.

All revenue is recognised as a gross amount that includes any withholding taxes but excludes any other taxes such as attributable tax credits.

(d) TREATMENT OF STOCK AND SPECIAL DIVIDENDS

The ordinary element of stock received in lieu of cash dividends is credited to capital in the first instance followed by a transfer to revenue of the cash equivalent being offered and this forms part of the distributable revenue.

Special dividends are reviewed on a case by case basis to determine whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. The tax accounting treatment follows the treatment of the principal amount.

(e) TREATMENT OF EXPENSES

All expenses, except for those relating to the purchase and sale of investments and stamp duty reserve tax, which are charged against revenue for Saracen Growth Fund ("SGF"). For Saracen Global Income & Growth Fund ("SGIG") all expenses, except for those relating to the purchase and sale of investments and stamp duty reserve tax, which are charged to capital, are charged against capital and revenue in a 50:50 split. All expenses are charged to capital for Saracen UK Income Fund ("SUIF").

(f) ALLOCATION OF REVENUE AND EXPENSES TO MULTIPLE SHARE CLASSES

Any revenue or expense not directly attributable to a particular share class will be allocated pro-rata to the net assets of the relevant share classes.

1. ACCOUNTING POLICIES (continued)

(a) TAXATION

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses. Where overseas tax has been deducted from overseas revenue, tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

Deferred tax is provided at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset. Stamp duty reserve tax suffered on surrender of shares is deducted from capital.

(b) DISTRIBUTION POLICY

Surplus revenue, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders annually on SGF and semi-annually on SGIG fund. Any deficit of revenue is deducted from capital.

(c) BASIS OF VALUATION OF INVESTMENTS

Listed investments are valued at closing bid prices on the last business day of the accounting period.

(d) EXCHANGE RATES

Transactions in foreign currencies are recorded in Sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at the closing exchange rates ruling on that date.

(e) DILUTION LEVY

The ACD may require a dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances: where the scheme property is in continual decline; on a sub fund experiencing large levels of net sales relative to its size; on large deals; in any case where the ACD is of the opinion that the interests of remaining shareholders require the imposition of a dilution levy.

(f) SHAREHOLDER FUNDS

There is no difference in rights between classes in terms of a wind up of the Company. The Company may be wound up under the provisions of the COLL Sourcebook or as an unregistered company under Part V of the Insolvency Act 1986. Winding up under the COLL Sourcebook is carried out by the ACD, which will, as soon as practicable, have the property of the Company attributable to each sub fund to be realised and the liabilities of the Company attributable to each sub fund to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company, the ACD may arrange for interim distribution to be made to shareholders, when all liabilities have been met, the balance (net of a provision for any further expenses of the Company) will be distributed to shareholders.

2. NET CAPITAL GAINS	31.12.15 £	31.12.14 £
The net capital gains during the year comprise:		
Non-derivative securities	1,937,228	356,869
Currency losses	-	(350)
Transaction charges	(1,229)	(1,875)
Net capital gains	1,935,999	354,644

3. REVENUE		
Non-taxable dividends	720,445	722,961
Total revenue	720,445	722,961

4. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	280,912	313,780
Expenses	-	-
	280,912	313,780
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	15,477	17,171
Safe custody and other bank charges	7,404	7,815
	22,881	24,986

4. EXPENSES (Cont.)	31.12.15 £	31.12.14 £
Other expenses:		
Fees paid to auditor - audit of the financial statements*	9,000	9,000
- tax compliance services	1,680	1,680
Printing fees	2,092	3,010
Publication costs	4,879	4,150
Legal and professional fees	2,580	-
Administration fees and other expenses	25,970	14,989
	46,201	32,829
Total expenses	349,994	371,595

*The audit fee was £7,500 (2014: £7,500) excluding VAT.

5. TAXATION

(a) Analysis of charge for the year

Corporation tax at 20%	-	-
Overseas tax	-	-
Current tax charge/(credit) (note 5b)	-	-
Total taxation	-	-

(b) Factors affecting current charge for the year
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.12.14: 20%) for the reasons explained below:

Net revenue before taxation	370,451	351,366
Corporation tax at 20%	74,090	70,273
Effects of:		
Non-taxable dividends	(144,089)	(144,592)
Unutilised excess management expenses	69,999	74,319
Corporation tax	-	-
Current tax charge (note 5a)	-	-

5. TAXATION (Cont.)

(c) Deferred tax

At the year-end there are potential tax assets of £1,615,103 (31.12.14: £1,545,104) in relation to surplus management expenses. It is considered unlikely that the sub fund will generate sufficient taxable profits in the future to utilise these amounts and, therefore, no deferred tax asset has been recognised in the current or prior year.

6. FINANCE COSTS

	31.12.15 £	31.12.14 £

Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	31.12.15 £	31.12.14 £
Final distribution	370,555	339,117
Add: Revenue deducted on cancellation of shares	7,937	51,457
Deduct: Revenue received on issue of shares	(4,052)	(8,050)
Net distribution for the year	374,440	382,524
Total finance costs	374,440	382,524

Details of the distributions per share are set out in the table on page 34.

7. MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

	31.12.15 £	31.12.14 £
Net revenue after taxation	370,451	351,366
Allocations to Capital:		
Dilution levy	3,683	32,905
Currency gains/(losses)	306	(1,747)
Balance of revenue brought forward	-	-
Net distributions for the year	374,440	382,524

Revenue is distributed on an annual basis.

8. DEBTORS	31.12.15 £	31.12.14 £
Amounts receivable for issue of shares	112	-
Accrued revenue:		
Non-taxable dividends	73,017	73,147
Taxation recoverable:		
Overseas withholding tax	6,409	21,048
Total debtors	79,538	94,195

9. CREDITORS		
Amounts payable for cancellation of shares	4,876	-
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	23,774	23,083
	23,774	23,083
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	1,314	1,268
Transaction charges	253	219
Safe custody and other bank charges	1,092	1,105
	2,659	2,592
Other expenses	14,132	14,936
Total creditors	45,441	40,611

10. RELATED PARTY TRANSACTIONS

The ACD is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

Graham Hugh Campbell ("GHC") is a Director of the ACD, investment manager of SGIG and Chief Executive Officer of SFM. GHC held 25,000 Beta shares in SGF as at 31 December 2015 (31.12.14: 25,000). Jamie Matheson ("JM") is a Director of the ACD and Chairman of SFM. JM held 27,000 Beta shares in SGF as at 31 December 2015 (31.12.14: 27,000). James Clelland Fisher ("JCF") is a Director of the ACD and held 191,700 Beta shares in SGF as at 31 December 2015 (31.12.14: 191,700). John Cameron Spence ("JCS") is a Director of the ACD and held 1,499 Beta shares in SGF as at 31 December 2015 (31.12.14: 1,499). Kerry Spence, wife of JCS, held 743 Beta shares in SGF as at 31 December 2015 (31.12.14: 743).

Management fees paid to the ACD are shown in note 4. The balance due to the ACD at the year-end in respect of the periodic charge was £23,774 (31.12.14: £23,083) and expenses incurred on behalf of SGF by the ACD and recharged to SGF was £Nil (31.12.14: £Nil).

Depositary fees, safe custody fees and transaction charges paid to the Depositary are shown in note 4. The balance due to the Depositary at the year-end in respect of these fees was £2,659 (31.12.14: £2,592).

11. SHAREHOLDERS FUNDS

SGF has two share classes: Alpha and Beta. The annual management charge on those shares is 1.50% and 1.00% respectively.

The Net Asset Value and the Net Asset Value per share are given in the Comparative Tables and the number of shares in issue in Note 15.

12. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or outstanding commitments (31.12.14: none)

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing the investment objective, a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (Cont.)

The main risks from SGF's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

i) Credit risk
SGF may find that securities in which it invests fail to settle their debts on a timely basis. The securities issued by such companies may decline in value as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

ii) Interest rate risk
Interest rate risk is the risk that the value of SGF's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in the interest rate environment, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of income receivable from fixed interest securities, receivable on bank balances or payable on bank overdrafts may be affected by fluctuations in interest rates.

By a careful assessment of economic and other relevant factors, the investment adviser will seek to invest in those securities most likely to benefit, or be shielded, from anticipated changes in interest rates.

The table below shows the interest rate risk profile:

	31.12.15 £	**31.12.14 £**
Floating rate assets/(liabilities):		
Pound Sterling	512,844	391,552
Assets on which interest is not paid:		
Euro	2,512	2,645
Pound Sterling	25,385,851	24,757,809
Swiss Francs	-	18,404
	25,901,207	25,170,410
Liabilities on which interest is not paid:		
Pound Sterling	(45,441)	(40,612)
Net Assets	25,855,766	25,129,798

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to UK LIBOR or its international equivalents.

There are no material amounts of non-interest bearing financial assets and liabilities other than equities, which do not have maturity dates.

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (Cont.)

iii) Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

The table below shows the foreign currency risk profile:

	31.12.15 £	31.12.14 £
Currency:		
Euro	2,512	2,645
Pound Sterling	25,853,254	25,108,749
Swiss Francs	-	18,404
	25,855,766	25,129,798

The investment adviser may seek to reduce exposure to currency risk by the use of forward contracts. The hedging of currency exposure is undertaken to minimise foreign currency exposure or where the investment adviser considers that there is a compelling economic case. However, no single hedging strategy can be universally suitable for all shareholders.

The equity markets of the emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria, and can make it difficult to establish accurate estimates of fundamental value. The dearth of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the investment adviser's ability to execute substantial deals.

At year end, had the Pound weakened by 5% in relation to the above currencies, with all other variables held constant, Net Assets Attributable to Shareholders and the Change in Net Assets Attributable to Shareholders from Investment Activities would have changed by the amounts below.

	31.12.15 £	31.12.14 £
Currency:		
Euro	125	13
Swiss Francs	-	920
	125	933

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (Cont.)

iv) Liquidity risk
The main liability of SGF is the cancellation of any shares that investors want to sell. Investments may have to be sold to fund such cancellations should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk, the Investment Manager will ensure that a substantial portion of SGF's assets consist of readily realisable securities.

All assets and liabilities of SGF held at 31 December 2015 can be liquidated within one month in normal circumstances.

v) Market price risk
Market price risk is the risk that the value of the financial instruments of SGF will fluctuate as a result of changes in market prices caused by factors other than interest rates or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the sub fund holds.

Market price risk represents the potential loss SGF may suffer through holding market positions in the face of price movements. The investment portfolio of SGF is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. For an equity portfolio the risk is generally regarded as consisting of two elements - stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of primarily UK securities can mitigate market risk.

At 31 December 2015, if the price of each equity held by the sub fund had increased by 5% (2014: 5%), whilst the foreign currency rates held constant, there would have been the following approximate increases in Net Assets attributable to shareholders: 2015: £1,265,441 (2014: £1,234,231).

A decrease by 5% (2014: 5%) would result in an equal but opposite effect on Net Assets attributable to shareholders to the figures shown above, on the basis that all other variables remain constant.

This calculation is based on adjusting the fair value of the equities, as at 31 December 2015 and 2014. Based on the view of the market a 5% movement would be deemed reasonable of the underlying funds for the calculation, this represents the view of the Investment Manager of a reasonably possible movement for a six to twelve-month period based on current market conditions.

vi) Fair value of financial assets and financial liabilities
There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

vii) Leverage
There is no leverage on SGF.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2) and;
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2015	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
Financial assets at fair value through profit or loss				
Financial assets held for trading				
Equities	25,308,825	-	-	25,308,825
	25,308,825	**-**	**-**	**25,308,825**
2014				
Financial assets at fair value through profit or loss				
Financial assets held for trading				
Equities	24,684,662	-	-	24,684,662
	24,684,662	**-**	**-**	**24,684,662**

15. SHARES ISSUED AND REDEEMED DURING THE YEAR

Alpha Shares	31.12.15	31.12.14
Number of Shares outstanding at start of the year	1,405,688	1,506,115
Number of Shares issued	25,852	493,522
Number of Shares redeemed	(229,700)	(593,949)
Number of Shares outstanding at end of the year	**1,201,840**	**1,405,688**

Beta Shares	31.12.15	31.12.14
Number of Shares outstanding at start of the year	3,798,318	4,766,591
Number of Shares issued	79,303	248,984
Number of Shares redeemed	(232,357)	(1,217,257)
Number of Shares outstanding at end of the year	**3,645,264**	**3,798,318**

16. PORTFOLIO TRANSACTION COSTS

	31.12.15 £	31.12.14 £
Analysis of total purchase costs		
Purchases in year before transaction costs	6,165,530	6,431,125
Transaction costs:		
Commissions	8,250	7,001
Stamp duty and other charges	20,560	9,930
	28,810	16,931
Gross purchase total	6,194,340	6,448,056
Analysis of total sale costs		
Gross Sales before transaction costs	7,521,712	11,900,173
Transaction costs:		
Commissions	(14,569)	(23,231)
Stamp duty and other charges	(43)	(3,431)
	(14,612)	(26,662)
Total sales net of transaction costs	7,507,100	11,873,511

16. PORTFOLIO TRANSACTION COSTS (Cont.)

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

17. POST BALANCE SHEET EVENTS

Subsequent to the year end, the dealing net asset value per unit of SGF has decreased from £3.7151 to £3.5967 for the Alpha shares and from £5.9361 to £5.7551 for the Beta shares as at 11 April 2016. This movement takes into account routine transactions but also reflects the significant market movements of recent months. There are no post balance sheet events which require adjustments at the year end.

There were no material post balance sheet events which have a bearing on the understanding of the financial statements (31.12.14: none).

DISTRIBUTION TABLE

For the year ended 31 December 2015 (in pounds Sterling per share)

Annual
Group 1 - Shares purchased prior to 1 January 2015
Group 2 - Shares purchased on or after 1 January 2015 and on or before 31 December 2015

Alpha Shares	Net Revenue	Equalisation	Allocated 31.03.16	Allocated 31.03.15
Group 1	0.037806	-	0.037806	0.032436
Group 2	0.037806	-	0.037806	0.032436

Beta Shares	Net Revenue	Equalisation	Allocated 31.03.16	Allocated 31.03.15
Group 1	0.089189	-	0.089189	0.077277
Group 2	0.044545	0.044644	0.089189	0.077277

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2015

INVESTMENT OBJECTIVE

The objective of Saracen Global Income & Growth Fund ("SGIG") is to provide a degree of income to investors together with the aim of 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 capital growth. These securities will be chosen from certain overseas markets, as well as the United Kingdom and may comprise equity and fixed interest securities. 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, using both quantitative and qualitative techniques to achieve the above objective. Risk will be carefully controlled through diversification and rigorous analysis.

INVESTMENT REVIEW

The year under review provided relatively limited returns for equity investors. SGIG achieved a total return of +0.03% over the past twelve months, which compared to +2.4% for the IMA Global Equity Income Sector, +1.0% for the total return on the FSTE All-Share Index. The total return on the Gilts All Stocks Index was +0.6% while cash provided +0.7%. Whilst the actual dividend of SGIG for the year decreased by 2% to 3.95p, the core dividend, which excludes special dividends, increased by 10%.

Since inception on 8 June 2011 to 31 December 2014, SGIG has delivered second quartile performance achieving a total return of +43.7% against a total return of +38.2% from the IMA Global Equity Income Sector and +32.7% total return from the FTSE All-share Index.

Global equity markets proved to be extremely volatile in 2015. The year started strongly on the back of increased liquidity being pumped into the financial system in Europe by the ECB through a combination of quantitative easing and a lowering of interest rates. However, concerns over the potential impact of Greece exiting the Euro and a global growth slowdown caused by a deceleration in Chinese economic growth pulled markets down sharply over the summer months. Concerns over China, and an excess supply, led to commodity prices collapsing for the second year in a row. The end of the year was dominated by the sustainability of low interest rates in the US, with the Fed finally increasing interest rates by 25bps in December.

At a corporate level, confidence is slowly returning and companies have started to employ their strong balance sheets to acquire other businesses, as well as repurchase shares and grow their dividends. Although investors have remained nervous, there has been a noticeable uplift in appetite for new issues and the raising of capital for corporate transactions.

PORTFOLIO REVIEW

As in previous years, we have been surprised at both the differential and scale of share price movements for the constituents of SGIG which is intended to provide steady and predictable returns. Nevertheless, a number of patterns can be identified:

- Stocks which had done well in previous years continued to outperform. SGIG benefitted again from its exposure to **Inmarsat** (+42%), **Microsoft** (+26%), **Amadeus IT** (+17%).

- Some of the new purchases in 2015 made a significant positive impact on performance. Our investments in **Axa** (+34%), **General Electric** (+24%), **Syngenta** (+24%) and **Dow Chemicals** (+16%) have all performed well since being introduced to the portfolio.

- The pharmaceutical sector had a quieter year. **Roche** (+8%), **Johnson & Johnson** (+4%) were SGIG's biggest contributors to performance.

- Some of our European industrial stocks had a better year given the slight improvement in macro-economic backdrop. **Wartsila** (+8%), **Compagnie De St-Gobain** (+7%), **BMW** (+3%) all performed adequately.

- Oil majors underperformed as the oil price fell nearly 40% during 2015. **Shell** (-17%), **BP** (-14%) and **Chevron** (-15%) struggled given the backdrop.

- Our first purchases into the mining sector have proven to be too early with both **BHP Billiton** (-45%) and **Rio Tinto** (-24%) impacted by the continued slide in commodity prices..

Elsewhere, **McDonalds** (+33%), **UBS** (+20%), **Aviva** (+7%) were strong contributors. At the other end of the scale, **MTN** (-30%), **Hugo Boss** (-28%) and **Caterpillar** (-21%), performed poorly.

Such a review fails to consider any activity over the course of the year. In particular, we took advantage of share price weakness to increase holdings in lagging industrial companies which, we believe, will benefit from stronger demand.

Given the significant market volatility during the year, we were more active than usual disposing of twenty-four holdings and acquiring new positions in seventeen companies. Our decisions to sell over the year were split into three categories. The first group resulted from shares appreciating and reaching valuations which, we believed could not be justified by the anticipated future level of earnings: **Carnival, Du Pont, Nestle, Reed Elsevier, Stanley Black and Decker, Unilever** and **WPP** were in this group. The second group resulted from deteriorations in our 'worst case' expectations which meant that the risk profiles were no longer valid for SGIG. Following a reassessment of the prospects for **ConocoPhillips, Imperial Holdings, Pearson and Porsche** we sold these securities. The third group relates to situations which we classify as a "portfolio upgrade" where we identify new stocks which are more attractive for the portfolio than those currently held. **Marks and Spencer** and **Repsol** fell into this category.

PORTFOLIO REVIEW (Cont.)

The new stocks introduced to SGIG were diverse in their activities. Our analysis indicated that all these companies should be capable of providing shareholders with a predictable and rising level of dividend growth from a reasonable starting yield while trading on valuations which allow for some capital appreciation. The companies can be divided into a number of subsets:

- Economically sensitive companies which are not priced for economic recovery. We identified a number of top quality companies with decent margins and balance sheets but operating in challenging markets. These stocks all have good yields with scope for improved returns when their end markets pick up. **Dow Chemicals, Emerson Electric, General Electric, GKN, Rio Tinto** and **Syngenta** were such examples.

- Pharmaceutical companies with incredibly strong Balance Sheets, cheap valuations and attractive starting yields. This list includes **AstraZeneca, Merck** and **Pfizer**.

- Global leading businesses listed in the US with very cheap valuations and attractive dividend yields but have short-term headwinds caused by the strength of the Dollar. **Garmin, IBM** and **Proctor & Gamble** fall into this category.

- Financial groups with attractive core businesses, strong Balance Sheets and attractive dividend yields. **AXA, Barclays** and **Invesco** should all benefit from management teams concentrating on the more profitable and better quality businesses.

These portfolio changes highlighted the recent trend in moving away from consumer goods, with the weighting falling from 11% to 5%. We still continue, however, to have a significant exposure to industrials, which now represent 32%. This move has resulted from identifying superior value in more economically-sensitive companies. By contrast, some of our favoured global consumer goods holdings have simply become too expensive.

PROSPECTS

Although the tilt of the SGIG portfolio slightly altered throughout last year, our investment approach has remained consistent. SGIG comprises a portfolio of global-leading companies with defendable market positions, high margins and strong balance sheets. Our analysis continues to indicate that valuations are reasonable, and the portfolio should be capable of providing healthy dividend growth.

No doubt 2016 will present its fair share of challenges; however, we believe that SGIG is particularly well positioned to enjoy a successful year.

Thank you for your support over the past year. We look forward to providing further value to our fellow shareholders over the coming year.

Graham Campbell & David Keir
9 February 2016

COMPARATIVE TABLES

Accumulation Share Class	2015 (p/unit)	2014 (p/unit)	2013 (p/unit)
Change in Dealing NAV per Unit			
Opening Dealing NAV per Unit	**1.43**	**1.39**	**1.11**
Return before operating charges	0.11	0.13	0.37
Operating charges	(0.07)	(0.05)	(0.05)
Return after operating charges	0.04	0.08	0.32
Distributions	(0.04)	(0.04)	(0.04)
Closing Dealing NAV per unit	**1.43**	**1.43**	**1.39**
after transaction costs of:	0.01	-	0.01
Performance			
Return after operating charges	3.10%	6.23%	29.00%
Other Information			
Dealing NAV	£12,895,490	£16,763,078	£13,180,593
Operating charges^	1.06%	1.02%	1.03%
Transaction Costs^^	0.37%	0.32%	0.67%
Prices			
Highest Unit Price	1.63	1.48	1.40
Lowest Unit Price	1.33	1.32	1.13

^Operating charges represent the annual operating expenses of SGIG expressed as a percentage of the average dealing net assets for the year. The operating charges are expressed as an annual percentage rate.

^^Transaction costs represent the portfolio transaction charges of the SGIG for the year expressed as a percentage of the average dealing net assets for the year.

COMPARATIVE TABLES (CONT.)

Distribution Share Class	**2015 (p/unit)**	**2014 (p/unit)**	**2013 (p/unit)**
Change in Dealing NAV per Unit			
Opening Dealing NAV per Unit	**1.30**	**1.30**	**1.07**
Return before operating charges	0.03	0.08	0.33
Operating charges	(0.03)	(0.04)	(0.06)
Return after operating charges	-	0.04	0.27
Distributions	(0.04)	(0.04)	(0.04)
Closing Dealing NAV per unit	**1.26**	**1.30**	**1.30**
after transaction costs of:	-	-	0.01
Performance			
Return after operating charges	0.32%	2.73%	25.09%
Other Information			
Dealing NAV	£33,574,386	£21,787,659	£11,198,405
Operating charges^	1.06%	1.02%	1.03%
Transaction Costs^^	0.17%	0.32%	0.95%
Prices			
Highest Unit Price	1.46	1.36	1.31
Lowest Unit Price	1.17	1.20	1.08

^Operating charges represent the annual operating expenses of the SGIG expressed as a percentage of the average dealing net assets for the year. The operating charges are expressed as an annual percentage rate.

^^Transaction costs represent the portfolio transaction charges of the SGIG for the year expressed as a percentage of the average dealing net assets for the year.

COMPARATIVE TABLES (CONT.)

A Accumulation Share Class	**2015 (p/unit)**	**2014 (p/unit)**	**2013 (p/unit)**
Change in Dealing NAV per Unit			
Opening Dealing NAV per Unit	**1.16**	**1.13**	**1.00**
Return before operating charges	0.26	0.21	0.25
Operating charges	(0.24)	(0.15)	(0.09)
Return after operating charges	0.02	0.06	0.16
Distributions	(0.03)	(0.03)	(0.03)
Closing Dealing NAV per unit	**1.15**	**1.16**	**1.13**
after transaction costs of:	0.02	0.02	0.02
Performance			
Return after operating charges	1.95%	5.09%	16.28%
Other Information			
Dealing NAV	£2,640,192	£3,187,980	£3,675,109
Operating charges^	1.81%	1.77%	1.78%
Transaction Costs^^	1.71%	1.54%	1.61%
Prices			
Highest Unit Price	1.32	1.20	1.14
Lowest Unit Price	1.07	1.07	1.00

^Operating charges represents the annual operating expenses of the SGIG expressed as a percentage of the average dealing net assets for the year. The operating charges are expressed as an annual percentage rate.

^^Transaction costs represent the portfolio transaction charges of the SGIG for the year expressed as a percentage of the average dealing net assets for the year.

COMPARATIVE TABLES (CONT.)

A Distribution Share Class	2015 (p/unit)	2014 (p/unit)	2013 (p/unit)
Change in Dealing NAV per Unit			
Opening Dealing NAV per Unit	**1.11**	**1.11**	**1.00**
Return before operating charges	0.14	0.12	0.20
Operating charges	(0.15)	(0.09)	(0.06)
Return after operating charges	(0.01)	0.03	0.14
Distributions	(0.03)	(0.03)	(0.03)
Closing Dealing NAV per unit	**1.07**	**1.11**	**1.11**
after transaction costs of:	0.01	0.01	-
Performance			
Return after operating charges	(0.41)%	1.97%	14.25%
Other Information			
Dealing NAV	£4,069,123	£4,952,701	£5,563,493
Operating charges^	1.81%	1.77%	1.78%
Transaction Costs^^	1.09%	1.00%	1.00%
Prices			
Highest Unit Price	1.25	1.16	1.12
Lowest Unit Price	0.99	1.02	1.00

^Operating charges represent the annual operating expenses of the SGIG expressed as a percentage of the average dealing net assets for the year. The operating charges are expressed as an annual percentage rate.

^^Transaction costs represent the portfolio transaction charges of the SGIG for the year expressed as a percentage of the average dealing net assets for the year.

Synthetic Risk and Reward Indicator ("SRRI"). As disclosed in the most recent KIID the SRRI figure for the period of this report is 5 (2014: 6).

PORTFOLIO STATEMENT

Holding	Portfolio of Investments	Value £	% of Total Net Assets 31.12.15 %	31.12.14 %
	EQUITIES			
	UNITED KINGDOM			
400,000	Ashmore	1,025,600	1.93	
27,500	AstraZeneca	1,269,400	2.39	
250,000	Aviva	1,290,000	2.43	
433,000	Barclays	947,837	1.78	
85,900	BHP Billiton Plc	652,067	1.23	
275,000	BP	973,500	1.83	
40,000	Diageo	742,600	1.40	
360,000	GKN	1,109,520	2.09	
65,200	GlaxoSmithKline	895,196	1.69	
240,000	HSBC Holdings	1,286,640	2.42	
80,000	Inmarsat	909,600	1.71	
90,000	Jardine Lloyd Thompson	832,500	1.57	
52,600	Rio Tinto	1,040,954	1.96	
63,500	Shell	979,805	1.84	
		13,955,219	26.27	21.62
	CONTINENTAL EUROPE			
	BELGIUM			
-	bpost	-	-	2.62
	FINLAND			
32,500	Wartsila	1,012,653	1.91	1.85
	FRANCE			
68,250	Axa	1,269,302	2.39	
47,500	Compagnie De St-Gobain	1,395,123	2.62	
12,000	Sanofi	695,174	1.31	
		3,359,599	6.32	4.65
	GERMANY			
17,500	BASF	912,790	1.72	
12,500	BMW	900,498	1.70	
50,000	Deutsche Post	956,797	1.80	

PORTFOLIO STATEMENT (Cont.)

Holding	Portfolio of Investments	Value £	% of Total Net Assets 31.12.15 %	31.12.14 %
	EQUITIES (Cont.)			
	CONTINENTAL EUROPE (Cont.)			
	GERMANY (Cont.)			
12,000	Hugo Boss	678,633	1.28	
		3,448,718	6.50	10.37
	JERSEY			
-	WPP	-	-	2.30
	LUXEMBOURG			
55,000	SES	1,036,057	1.95	1.98
	NETHERLANDS			
30,000	Koninklijke DSM	1,023,212	1.93	4.12
	NORWAY			
100,000	Telenor	1,143,690	2.15	2.36
-	PORTUGAL	-	-	2.13
	SPAIN			
26,050	Amadeus IT	781,245	1.47	4.03
	SWEDEN			
100,000	Ericsson	663,825	1.25	
90,000	SKF	993,687	1.87	
		1,657,512	3.12	7.31
	SWITZERLAND			
57,500	ABB	703,091	1.32	
40,000	Garmin	1,002,995	1.89	
20,000	Novartis	1,181,917	2.22	
7,000	Roche Holdings	1,317,266	2.48	

PORTFOLIO STATEMENT (Cont.)

Holding	Portfolio of Investments	Value £	31.12.14 %	31.12.13 %
	EQUITIES (Cont.)			
	SWITZERLAND (Cont.)			
7,088	Syngenta	1,893,125	3.56	
115,000	UBS	1,528,322	2.88	
		7,626,716	14.35	12.01
	TOTAL CONTINENTAL EUROPE	21,089,402	39.70	55.73
	BERMUDA			
35,000	Invesco	790,732	1.49	-
	PANAMA			
-	Carnival Corp	-	-	2.49
	SINGAPORE			
150,000	DBS	1,194,521	2.25	1.55
	SOUTH AFRICA			
125,000	MTN	727,759	1.37	
77,500	Tiger Brands	1,073,412	2.02	
		1,801,171	3.39	3.42
	UNITED STATES			
16,500	Caterpillar	756,233	1.42	
20,000	Chevron	1,213,335	2.28	
43,500	Dow Chemicals	1,510,392	2.84	
22,500	Emerson Electric	725,836	1.37	
85,000	General Electric	1,785,025	3.36	
12,500	IBM	1,160,059	2.18	
17,500	Johnson & Johnson	1,212,307	2.28	
15,000	McDonalds	1,195,459	2.25	
27,000	Merck	961,892	1.81	
32,500	Microsoft	1,215,713	2.29	
60,000	Pfizer	1,306,160	2.46	
18,000	Proctor & Gamble	964,017	1.82	
		14,006,428	26.36	14.58
	Portfolio of investments	52,837,473	99.46	99.39
	Net other assets	285,781	0.54	0.61
	Net assets	53,123,254	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 31 December 2015

Total Purchases for the year	**£28,076,635**
Major Purchases	**Cost £**
Syngenta	1,600,459
General Electric	1,474,024
Rio Tinto	1,434,725
International Business Machine	1,358,783
Dow Chemicals	1,321,001
Pfizer	1,309,669
Shell	1,227,661
Tiger Brands	1,226,920
Garmin	1,162,919
Barclays	1,141,636
AstraZeneca	1,129,618
Axa	1,077,007
Merck	1,023,113
GKN	964,806
Emerson Electric	854,686
Procter & Gamble	825,432
Chevron	780,449
Invesco	755,748
DBS	673,843
Johnson & Johnson	556,892

SUMMARY OF MATERIAL PORTFOLIO CHANGES
For the year ended 31 December 2015 (Cont.)

Total Purchases for the year	**£20,216,366**
Major Purchases	**Cost £**
WPP	1,204,741
Carnival	1,164,328
CTT	1,149,445
Porsche	978,702
Svenska Cellulosa	969,392
Sandvik	835,372
Nestle	825,015
Du Pont	818,663
Givaudan	801,577
Stanley Black and Decker	795,558
Unilever	769,885
Repsol	724,600
Procter & Gamble	664,335
Relx NV	662,231
bpost	654,520
Imperial Holdings	626,217
Siemens	617,483
Marks and Spencer	613,719
Anheuser-Busch	612,672
Amadeus IT	611,128

The summary of material portfolio changes represents the 20 largest purchases and 20 largest sales during the year.

STATEMENT OF TOTAL RETURN
For the year ended 31 December 2015

	Notes	£	31.12.15 £	£	31.12.14 £
Income:					
Net capital (losses)/gains	2		(1,528,825)		292,799
Revenue	3	1,930,019		1,491,790	
Expenses	4	(588,499)		(453,030)	
Interest payable and similar charges	6	(50)		(165)	
Net revenue before taxation		1,341,470		1,038,595	
Taxation	5	(201,735)		(153,289)	
Net revenue after taxation			1,139,735		885,306
Total return before distributions			(389,090)		1,178,105
Finance costs: Distributions	6		(1,432,983)		(1,107,442)
Change in Net Assets Attributable to Shareholders from investment activities			**(1,822,073)**		**70,663**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the year ended 31 December 2015

	Notes	£	31.12.15 £	£	31.12.14 £
Opening Net Assets Attributable to Shareholders			46,691,418		33,617,600
Amounts receivable on issue of shares		21,244,601		16,094,422	
Amounts payable on cancellation of shares		(13,459,191)		(3,684,727)	
			7,785,410		12,409,695
Stamp duty reserve tax	1		-		(1,021)
Change in Net Assets Attributable to Shareholders from investment activities			(1,822,073)		70,663
Retained distribution on Accumulation Shares			468,499		594,481
Closing Net Assets Attributable to Shareholders			**53,123,254**		**46,691,418**

BALANCE SHEET
As at 31 December 2015

	Notes		31.12.15		31.12.14
		£	£	£	£
Fixed assets					
Investment assets	14		52,837,473		46,408,774
Current assets					
Debtors	8	208,327		146,184	
Cash and bank balances		547,693		427,579	
Total current assets			756,020		573,763
Total assets			53,593,493		48,982,537
LIABILITIES					
Other creditors					
Creditors	9	(114,261)		(118,063)	
Distribution payable		(355,978)		(173,056)	
Total other creditors			(470,239)		(291,119)
Total liabilities			(470,239)		(291,119)
Net Assets Attributable to Shareholders			**53,123,254**		**46,691,418**

1. ACCOUNTING POLICIES

The accounting policies shown on pages 21 and 22 relating to SGF also relate to SGIG.

2. NET CAPITAL (LOSSES)/GAINS

	31.12.15 £	31.12.14 £
The net capital gains during the year comprise:		
Non-derivative securities	(1,347,915)	362,853
Currency losses	(176,517)	(66,405)
Transaction charges	(4,393)	(3,649)
Net capital (losses)/gains	(1,528,825)	292,799

3. REVENUE

Non-taxable dividends	1,930,007	1,491,726
Bank interest	12	64
Total revenue	1,930,019	1,491,790

EXPENSES

4.

Payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	433,467	352,720
	433,467	352,720
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	29,954	22,988
Safe custody and other bank charges	28,072	24,977
	58,026	47,965

4. EXPENSES (Cont.)	31.12.15 £	31.12.14 £
Other expenses:		
Fees paid to auditor - audit of the financial statements*	9,000	9,000
- tax compliance services	1,680	1,680
Printing fees	2,043	3,010
Publication costs	7,470	6,225
Legal and professional fees	2,840	-
Administration fees and other expenses	73,973	32,430
	97,006	52,345
Total expenses	588,499	453,030

*The audit fee was £7,500 (2014: £7,500) excluding VAT.

5. TAXATION

(a) Analysis of charge for the year

Corporation tax at 20%	-	-
Overseas tax	201,735	153,289
Current tax charge (note 5b)	201,735	153,289
Total taxation	201,735	153,289

(b) Factors affecting current charge for the year
The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.12.14: 20%) for the reasons explained below:

Net revenue before taxation	1,341,470	1,038,593
Corporation tax at 20%	268,294	207,719
Effects of:		
Non-taxable overseas dividends	(372,341)	(286,412)
Tax reclaims received shown in revenue	(13,661)	(11,933)
Expenses not deductible for tax purposes	10	-
Unutilised excess management expenses	117,698	90,626
Corporation tax charge	-	-
Overseas tax	201,735	153,289
Current tax charge (note 5a)	201,735	153,289

5. TAXATION (Cont.)

(c) Deferred tax
At the year-end there are potential tax assets of £282,824 (31.12.14: £165,124) in relation to surplus management expenses. It is unlikely that the sub fund will generate sufficient taxable profits in the future to utilise these amounts and, therefore, no deferred tax asset has been recognised in the current or prior year.

6. FINANCE COSTS

Distributions
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	31.12.15 £	31.12.14 £
Interim distribution	731,194	454,585
Final distribution	824,481	766,927
Add: revenue deducted on cancellation of shares	81,417	41,852
Deduct: Revenue received on issue of shares	(204,109)	(155,922)
Net distribution for the year	1,432,983	1,107,442
Interest	50	165
Total finance costs	1,433,033	1,107,607

Details of the distributions per share are set out in the table on pages 62 and 63.

7. MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

Net revenue after taxation	1,139,735	885,306
Allocations to Capital:		
Currency gains/(losses)	236	(4,380)
Expenses charged to Capital	294,251	226,515
Balance of revenue carried forward	(1,239)	1
Net distributions for the year	1,432,983	1,107,442

Revenue is distributed on an annual and interim basis.

8. DEBTORS	31.12.15 £	31.12.14 £
Amounts receivable for issue of shares	50,720	29,314
Accrued revenue:		
Non-taxable dividends	42,365	39,037
Taxation recoverable:		
Overseas withholding tax	115,242	77,673
Other debtors	-	160
Total debtors	208,327	146,184

9. CREDITORS		
Amounts payable for cancellation of shares	48,609	67,978
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
ACD's periodic charge	37,871	34,740
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	7,169	6,558
Transaction charges	528	-
	7,697	6,558
Other expenses	20,084	8,787
Taxation payable:		
Stamp duty reserve tax	-	-
Total creditors	114,261	118,063

10. RELATED PARTY TRANSACTIONS

The ACD is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

GHC is a Director of the ACD, investment manager of SGIG and Chief Executive Officer of SFM. GHC held 1,449,625 Accumulation shares in SGIG as at 31 December 2015 (31.12.14: 1,469,514). Caroline Campbell, wife of GHC, held 100,000 Distribution shares in SGIG as at 31 December 2015 (31.12.14: 100,000). Marcus Campbell, a son of GHC, held 8,483 Accumulation shares in SGIG as at 31 December 2015 (31.12.14: 5,768). Andreas Campbell, a son of GHC, held 8,483 Accumulation shares in SGIG as at 31 December 2015 (31.12.14: Nil). Olivia Partridge, a daughter of GHC, held 8,483 Accumulation shares in SGIG as at 31 December 2015 (31.12.14: Nil). Lex Partridge, a son of GHC, held 8,483 Accumulation shares in SGIG as at 31 December 2015 (31.12.14: Nil). JM is a Director of the ACD and Chairman of SFM. JM held 95,000 Distribution shares in SGIG as at 31 December 2015 (31.12.14: 95,000). JCF is a Director of the ACD and held 308,998 Accumulation shares in SGIG as at 31 December 2015 (31.12.14: 328,998). Caroline Fisher, wife of JCF, held 157,998 Accumulation shares in SGIG as at 31 December 2015 (31.12.14: 177,998). Adam Fisher, son of JCF, held 40,000 Accumulation shares in SGIG as at 31 December 2015 (31.12.14: Nil). JCS is a Director of the ACD and held 5,449 Accumulation shares in SGIG as at 31 December 2015 (31.12.14: 5,449). Kerry Spence, wife of JCS, held 3,084 Accumulation shares in SGIG as at 31 December 2015 (31.12.14: 2,435).

Management fees paid to the ACD are shown in note 4. The balance due to the ACD at the year-end in respect of the periodic charge was £37,871 (31.12.14: £34,740) and in respect of expenses was £Nil (31.12.14: £Nil).

Depositary fees, safe custody fees and transaction charges paid to the Depositary are shown in note 4. The balance due to the Depositary at the year-end in respect of these fees was £7,697 (31.12.14: £6,558).

In addition, SGIG receives interest on bank balances held by the Depositary. The amounts received are shown in note 3.

11. SHAREHOLDERS FUNDS

SGIG has four share classes: Accumulation, A Accumulation, Distribution and A Distribution. The annual management charge on the Accumulation and Distribution shares is 0.75% and 1.5% on the A Accumulation and A Distribution shares.

The Net Asset Value and the Net Asset Value per share are given in the Comparative Tables and the number of shares in issue in Note 15.

12. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or outstanding commitments (31.12.14: none).

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing the investment objective, a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (Cont.)

The main risks from SGIG's holding of financial instruments, together with the ACD's policy for managing these risks, are set out as follows:

i) Credit risk
SGIG may find that companies in which it invests fail to settle their debts on a timely basis. The securities issued by such companies may fall as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

ii) Interest rate risk
Interest rate risk is the risk that the value of the investments of SGIG will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in the interest rate environment, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of income receivable from fixed interest securities, receivable on bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates.

By a careful assessment of economic and other relevant factors, the investment adviser will seek to invest in those companies most likely to benefit, or be shielded, from anticipated changes in interest rates.

The tables below and overleaf show the interest rate risk profile:

	31.12.15 £	31.12.14 £
Floating rate assets/(liabilities):		
Euro	(41)	(7)
Pound Sterling	547,734	427,219
South African Rand	-	20
US Dollars	-	346
	547,693	427,578
Assets on which interest is not paid:		
Euro	10,725,547	14,888,522
Norwegian Krone	1,155,906	1,105,789
Pound Sterling	14,566,060	11,220,665
Singapore Dollars	1,194,521	722,833
South African Rand	1,801,171	1,599,334
Swedish Krona	1,657,512	3,412,804
Swiss Francs	6,662,643	5,634,859
US Dollars	15,830,133	7,970,152
	53,593,493	46,554,958
Liabilities on which interest is not paid:		
Pound Sterling	(470,239)	(291,118)
Net Assets	53,123,254	46,691,418

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (Cont.)

ii) Interest rate risk (continued)
The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to UK LIBOR or its international equivalents.

There are no material amounts of non-interest bearing financial assets and liabilities other than equities, which do not have maturity dates.

iii) Foreign currency risk
Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

The table below shows the foreign currency risk profile:

	31.12.15 **£**	**31.12.14** **£**
Currency:		
Euro	10,725,547	14,888,515
Norwegian Krone	1,155,906	1,105,789
Singapore Dollars	1,194,521	722,833
South African Rand	1,801,171	1,599,354
Swedish Krona	1,657,512	3,412,804
Swiss Francs	6,662,643	5,634,859
US Dollars	15,830,133	7,970,498
	39,027,433	35,334,652
Pound Sterling	14,095,821	11,356,766
	54,123,254	46,691,418

The Investment Manager may seek to reduce exposure to currency risk by the use of forward contracts. The hedging of currency exposure is undertaken to minimise foreign currency exposure or where the investment adviser considers that there is a compelling economic case. However, no single hedging strategy can be universally suitable for all shareholders.

The equity markets of the emerging countries tend to be more volatile than the more developed markets of the world. Standards of disclosure and accounting regimes may not always fully comply with international criteria, and can make it difficult to establish accurate estimates of fundamental value. The dearth of accurate and meaningful information, and inefficiencies in its distribution, can leave emerging markets prone to sudden and unpredictable changes in sentiment. The resultant investment flows can trigger significant volatility in these relatively small and illiquid markets. At the same time, this lack of liquidity, together with low dealing volumes, can restrict the investment adviser's ability to execute substantial deals.

At year end, had the Pound weakened by 5% in relation to the above currencies, with all other variables held constant, Net Assets Attributable to Shareholders and the Change in Net Assets Attributable to Shareholders from Investment Activities would have changed by the amounts overleaf:

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (Cont.)

iii) Foreign currency risk (continued)

	31.12.15 £	31.12.14 £
Currency:		
Euro	536,277	744,426
Norwegian Krone	57,795	55,289
Singapore Dollars	59,726	36,142
South African Rand	90,059	79,968
Swedish Krona	82,876	170,640
Swiss Francs	333,132	281,743
US Dollars	791,507	398,525
	1,951,372	1,766,733

iv) Liquidity risk
The main liability of SGIG is the cancellation of any shares that investors want to sell. Investments may have to be sold to fund such cancellations should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk, the Investment Manager will ensure that a substantial portion of the assets of SGIG will consist of readily realisable securities.

All assets and liabilities of SGIG held at 31 December 2015 can be liquidated within one month in normal circumstances.

v) Market price risk
Market price risk is the risk that the value of the financial instruments of SGIG will fluctuate as a result of changes in market prices caused by factors other than interest rates or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments in which SGIG is invested.

Market price risk represents the potential loss SGIG may suffer through holding market positions in the face of price movements. The portfolio of SGIG is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. For an equity portfolio the risk is generally regarded as consisting of two elements - stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

At 31 December 2015, if the price of each equity held by SGIG had increased by 5% (2014: 5%), whilst the foreign currency rates held constant, there would have been the following approximate increases in Net Assets attributable to Shareholders: 2015: £2,641,874 (2014: £2,320,439).

A decrease by 5% (2014: 5%) would result in an equal but opposite effect on Net Assets attributable to Shareholders to the figures shown above, on the basis that all other variables remain constant.

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (Cont.)

Market price risk (continued)
This calculation is based on adjusting the fair value of the equities, as at 31 December 2015 and 2014. Based on the view of the market a 5% movement would be deemed reasonable of the underlying funds for the calculation, this represents the Investment Manager's view of a reasonably possible movement for a six to twelve-month period based on current market conditions.

vi) Fair value of financial assets and financial liabilities
There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

vii) Leverage
There is no leverage on SGIG.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2) and;
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

2015	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
Financial assets at fair value through profit or loss				
Financial assets held for trading				
Equities	52,827,473	-	-	52,827,473
	52,827,473	**-**	**-**	**52,827,473**
2014				
Financial assets at fair value through profit or loss				
Financial assets held for trading				
Equities	46,408,774	-	-	46,408,774
	46,408,774	**-**	**-**	**46,408,774**

15. SHARES ISSUED AND REDEEMED DURING THE YEAR

Accumulation Shares	**31.12.15**	**31.12.14**
Number of Shares outstanding at start of the year	11,696,285	9,481,828
Number of Shares issued	2,088,347	2,536,129
Number of Shares redeemed	(4,789,025)	(321,672)
Number of Shares outstanding at end of the year	**8,995,607**	**11,696,285**

Distribution Shares	**31.12.15**	**31.12.14**
Number of Shares outstanding at start of the year	16,904,407	8,686,507
Number of Shares issued	13,324,239	9,371,513
Number of Shares redeemed	(3,378,008)	(1,153,613)
Number of Shares outstanding at end of the year	**26,850,638**	**16,904,407**

A Accumulation Shares	**31.12.15**	**31.12.14**
Number of Shares outstanding at start of the year	2,745,761	3,239,073
Number of Shares issued	68,048	210,025
Number of Shares redeemed	(523,055)	(703,337)
Number of Shares outstanding at end of the year	**2,290,754**	**2,745,761**

A Distribution Shares	**31.12.15**	**31.12.14**
Number of Shares outstanding at start of the year	4,499,419	5,034,193
Number of Shares issued	100,003	142,735
Number of Shares redeemed	(774,878)	(677,509)
Number of Shares outstanding at end of the year	**3,824,544**	**4,499,419**

16. PORTFOLIO TRANSACTION COSTS (Cont.)

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

17. POST BALANCE SHEET EVENTS

Subsequent to the year end, the dealing net asset value per unit of SGIG has increased from £1.4335 to £1.4683 for the Accumulation shares, £1.2625 to £1.2807 for the Distribution shares, £1.1525 to £1.1780 for the A Accumulation shares, £1.0722 to £1.0875 for the A Distribution shares as at 8 April 2016. This movement takes into account routine transactions but also reflects the significant market movements of recent months. There are no post balance sheet events which require adjustments at the year end.

There were no material post balance sheet events which have a bearing on the understanding of the financial statements (31.12.14: none).

DISTRIBUTION TABLE

For the year ended 31 December 2015 (in pounds Sterling per share)

Interim
Distribution Shares
Group 1 - Shares purchased prior to 1 January 2015
Group 2 - Shares purchased on or after 1 January 2015 and on or before 30 June 2015

Distribution Shares	Net Revenue	Equalisation	Allocated 30.09.15	Allocated 30.09.14
Group 1	0.0273	-	0.0273	0.0314
Group 2	0.0129	0.0144	0.0273	0.0314

A Distribution Shares	Net Revenue	Equalisation	Allocated 30.09.15	Allocated 30.09.14
Group 1	0.0211	-	0.0211	0.0248
Group 2	0.0114	0.0097	0.0211	0.0248

DISTRIBUTION TABLE
For the year ended 31 December 2015 (in pounds per share)

Final
Accumulation Shares
Group 1 - Shares purchased prior to 1 January 2015
Group 2 - Shares purchased on or after 1 January 2015 and on or before 31 December 2015

Distribution Shares
Group 1 - Shares purchased prior to 1 July 2015
Group 2 - Shares purchased on or after 1 July 2015 and on or before 31 December 2015

Accumulation Shares	Net Revenue	Equalisation	Allocated 31.03.16	Allocated 31.03.15
Group 1	0.0441	-	0.0441	0.0435
Group 2	0.0184	0.0257	0.0441	0.0435

Distribution Shares	Net Revenue	Equalisation	Allocated 31.03.16	Allocated 31.03.15
Group 1	0.0121	-	0.0121	0.0088
Group 2	0.0059	0.0062	0.0121	0.0088

A Accumulation Shares	Net Revenue	Equalisation	Allocated 31.03.16	Allocated 31.03.15
Group 1	0.0312	-	0.0312	0.0312
Group 2	0.0174	0.0138	0.0312	0.0312

A Distribution Shares	Net Revenue	Equalisation	Allocated 31.03.16	Allocated 31.03.15
Group 1	0.0083	-	0.0083	0.0054
Group 2	0.0044	0.0039	0.0083	0.0054

EQUALISATION
Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2015

INVESTMENT OBJECTIVE

The objective of Saracen UK Income Fund ("SUIF") is to provide income exceeding 110% of the dividend income of FTSE All-Share index and an overall return (income plus capital growth) which is superior to that index. At least 80% of SUIF will be invested in the shares of UK companies (those companies listed on a UK stock exchange). SUIF may also invest in the shares of companies in overseas markets, bonds, other funds (up to a maximum of 10% of SUIF) and cash and cash-like investments.

Not more than 10% of SUIF'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, using both quantitative and qualitative techniques to achieve the above objective. Risk will be carefully controlled through diversification and rigorous analysis.

SUIF has a focused portfolio of 30-45 quoted UK companies and we generally ignore index weightings when constructing the portfolio. We would expect the portfolio to have significant investments in smaller and medium sized companies and a correspondingly limited exposure to the very largest UK companies. Our approach is whole-heartedly "bottom up", with a focus on companies providing high or growing dividends.

Every company which SUIF owns must pay a dividend and we hope to increase dividends to our shareholders each year if possible. It is our intention to minimise portfolio turnover and retain our core investments for the long term.

INVESTMENT REVIEW

2015 proved to be a challenging year for the FTSE All Share index, which managed a total return of only 1%. Whilst the gains from UK equities were muted, long gilts and cash fared little better, with returns of 0.1% and 0.7% respectively.

However, there were marked differences in performance by market capitalisation, with the FTSE100 index falling by 1.3%, its heavy weightings in the oil and mining sectors leading to an overall negative return. By contrast, it was a positive year for small and medium sized companies. The FTSE Mid250 index rose by 11.2% and the FTSE Smallcap by 9.2%.

Although markets were nervous ahead of the UK election, the outcome, a clear Conservative majority, was far more decisive than expected. However, relief was somewhat short-lived, with the ongoing economic turmoil in Greece and slowing growth in China causing concerns for markets as the year progressed. Against an uncertain background for global growth, especially in emerging markets and Europe, Sterling rose significantly against the Euro whilst the Dollar was universally strong.

Since the launch of SUIF on 1 April 2015, markets have been less than kind to us with the All Share index falling 4% since the launch date. Against this weak market background, the Accumulation shares fell 1.6%.

PORTFOLIO REVIEW

SUIF was launched on 1 April 2015. The following review covers the period from launch until 31 December 2015.

SUIF is set up as a "multicap" portfolio and has a range of large, medium and small companies held within a focused portfolio. At the period end, SUIF held 31% in FTSE 100 stocks, 38% in the FTSE Mid250 and 31% within Small Cap and AIM stocks. Cash was negligible at 0.6%.

The initial portfolio was launched with 33 investments and just over 10% in cash. During the following nine months we made a total of 8 new investments and disposed of 5 businesses, as we further developed our research and screening capabilities, leaving the portfolio fully invested with 36 investments at 31 December 2015

PORTFOLIO REVIEW (CONTINUED)

Our recent investments can be categorised as follows:

Real estate - two property companies, **New River Retail** and **Palace Capital**, were purchased. **New River** has a proven track record in the investment and management of retail property and offers a high and growing dividend income. **Palace** is AIM-quoted and is at an early stage of its development. It offers an attractive mix of regional properties on high yields which we believe could be re-rated upwards over time from their current discount to asset values. Both stocks have made solid progress since purchase, holding up well in falling markets.

IT services - **FDM Group** and **Kainos**. **FDM** is an IT-services provider with a unique business model, providing graduates in IT roles to blue-chip clients. The business has very strong cashflow and offers excellent dividend growth prospects. **Kainos** was an IPO which came to the market in July. Its core businesses provide software and services to help digitialise the public sector. Unlike many IPO's it was sensibly priced and also has strong dividend potential. Both stocks have been star performers for SUIF during 2015 with Kainos at one point almost doubling in price post-IPO. Nevertheless, we have recently scaled back our position in Kainos as the valuation became stretched however both stocks have strong longer-term growth prospects and remain core holdings.

Pharmaceuticals - **AstraZeneca** was bought on yield of more than 4%. It has had a few difficult years and faces a number of patent expiries on some key drugs. Taking a longer term view, we believe that it has a number of promising new products with potential to fill these gaps, especially in the cancer treatment area. In the meantime, we are paid a secure dividend whilst awaiting the transition.

Leisure - **Greene King** was purchased towards the end of 2015. The acquisition of Spirit makes it the UK's largest pub group and we believe that their track record in integrating such deals is excellent. Recent results have already confirmed the firm progress they have made so far and the business is clearly outperforming its peers. It offers an attractive and growing dividend.

Engineering - **Vesuvius** is a world leader in consumable materials for the steel industry. The global industry is, undoubtedly, under pressure but Vesuvius offers strong value characteristics, positive cashflow and a high yield dividend. It faces profit challenges as we move into 2016 and the shares have fallen to reflect this. We hope that its qualities will come to the fore in the years ahead.

Construction - **Galliford Try** joined SUIF in November and is a hybrid of housebuilding and contracting, with projects from the latter funding growth in the former. Recent management changes leave the group well-positioned longer term. It is growing its dividend strongly and offers a very high yield, making it ideal for SUIF. We were able to buy the shares after a fairly significant price fall in the second half of 2015.

Generally, stocks we sold were businesses which had produced very strong returns over a short time period, had seen their valuations re-rated and, therefore, looked stretched. In each case, their dividend yields became far less attractive despite the companies offering good long-term prospects. This group included **Savills, JLT, RPC** and **Headlam**. We sold another stock, **UK Mail**, on the day of a major profit warning. This proved to be timely and decisive, after a further warning and the subsequent share price fall.

Turning to stock performance, it is fair to say that our first nine months as a Fund has brought with it a wide range of returns and emotions. As reported in the Investment Review, there were fairly large performance variances depending on market capitalisation. In general terms SUIF was strategically well-positioned, having a large position in smaller and medium companies. Unfortunately, this was somewhat offset by poor stock selection and a few dividend cuts impacting us latterly in 2015.

PORTFOLIO REVIEW (CONTINUED)

As discussed previously, our investments in technology delivered excellent initial performances with both FDM and Kainos adding materially to returns. The stocks we sold such as **RPC, Headlam** and **Savills** also made meaningful contributions. Other notable positives included **STV, Berkeley Group, Safestore, St Ives, Intermediate Capital** and **Jupiter**.

Our main bête-noire's related generally to businesses exposed to commodities or emerging markets. Our belief that the two key mining holdings, **BHP** and **Rio Tinto**, would weather the commodity storms proved to be badly misplaced. Similarly, in the oil sector, **Amec** delivered a bad profit warning and dividend cut whilst **Ashmore** struggled as a fund manager of emerging market bond funds. As the year drew to a close we had other stock-specific problems and warnings, including **entu (UK), Halfords, DX** and **TalkTalk**. Their poor performances led to SUIF having a very disappointing final quarter, somewhat undoing a solid first six months since launch.

INCOME

SUIF shall be paying a final dividend of 2.35p per income share on 31 March 2016 to Shareholders on the register at 31 December 2015, in addition to the first interim dividend of 0.77p which was paid on 30 September 2015. This results in a total of 3.12p for the initial nine-month period since SUIF launched.

We would anticipate significantly higher ongoing payments per share as we move into 2016, based on a full year's dividend income being available to shareholders for the first time.

PROSPECTS

After strong returns from equity markets during the past five years, our expectation is that returns will be more modest going forward. Inevitably, interest rates will rise in the years ahead and central bank interventions are likely to reduce over time.

SUIF looks to invest in companies with secure and growing dividends and we believe that this philosophy should serve shareholders well in most market conditions. Whilst, our approach is firmly focused on the long term, our value-based style appears somewhat out-of-favour in the short term. We are mindful that risks to dividends have risen significantly in recent months and SUIF has not been immune to this. Overall we do not expect income from the UK index in aggregate to grow during 2016 but do expect smaller and medium companies to continue to fare better in terms of dividend growth potential.

Meanwhile, markets are likely to remain volatile and 2016 has started poorly. SUIF is currently fully-invested and we approach the future with cautious optimism as a result of our high dividend yield and belief in the superior long-term value of our stocks. We must be careful however to avoid the landmines, of which there could be many.

We would like to thank shareholders for their initial support of SUIF and we look forward to delivering improving results to them in the years ahead.

Scott McKenzie
9 February 2016

COMPARATIVE TABLES

Accumulation Share Class	2015 (p/unit)
Change in Dealing NAV per Unit	
Opening Dealing NAV per Unit	**1.00**
Return before operating charges	0.06
Operating charges	(0.05)
Return after operating charges	0.01
Distributions	(0.03)
Closing Dealing NAV per unit	**0.98**
after transaction costs of:	0.02
Performance	
Return after operating charges	1.56%
Other Information	
Dealing NAV	£988,839
Operating charges^	2.29%
Transaction Costs^^	1.90%
Prices	
Highest Unit Price	1.06
Lowest Unit Price	0.93

^Operating charges represent the annual operating expenses of the SUIF expressed as a percentage of the average dealing net assets for the period. The operating charges are expressed as an annual percentage rate.

^^Transaction costs represent the portfolio transaction charges of the SUIF for the period expressed as a percentage of the average dealing net assets for the period.

COMPARATIVE TABLES (CONT.)

Distribution Share Class	2015 (p/unit)
Change in Dealing NAV per Unit	
Opening Dealing NAV per Unit	**1.00**
Return before operating charges	0.06
Operating charges	(0.05)
Return after operating charges	0.01
Distributions	(0.03)
Closing Dealing NAV per unit	**0.98**
after transaction costs of:	0.02
Performance	
Return after operating charges	0.81%
Other Information	
Dealing NAV	£990,362
Operating charges^	2.29%
Transaction Costs^^	1.79%
Prices	
Highest Unit Price	1.05
Lowest Unit Price	0.92

^Operating charges represent the annual operating expenses of the SUIF expressed as a percentage of the average dealing net assets for the period. The operating charges are expressed as an annual percentage rate.

^^Transaction costs represent the portfolio transaction charges of the SUIF for the period expressed as a percentage of the average dealing net assets for the period.

Synthetic Risk and Reward Indicator ("SRRI"). As disclosed in the most recent KIID the SRRI figure for the period of this report is 5.

PORTFOLIO STATEMENT

Holding	Portfolio of Investments	Value £	Total Net Assets 31.12.15 %	31.12.14 %
	UNITED KINGDOM			
	BANKS			
24,551	Barclays	53,742	2.73	
110,017	Lloyds Banking Group	80,389	4.08	
		134,131	6.81	-
	CONSTRUCTION MATERIALS			
32,485	Eurocell	61,722	3.13	
3,650	Galliford Try	55,663	2.83	
25,281	Tyman Plc	74,389	3.77	
		191,774	9.73	-
	ELECTRONIC & ELECTRICAL EQUIPMENT			
1,852	XP Power	26,391	1.34	-
	FINANCIAL SERVICES			
26,000	Ashmore Group Plc	66,664	3.38	
9,203	Intermediate Capital	57,611	2.93	
7,382	Jupiter Fund Management	33,344	1.69	
		157,619	8.00	-
	GENERAL FINANCIAL			
3,185	Close Bros Group	42,583	2.16	-
	GENERAL INDUSTRIALS			
10,831	DS Smith	42,804	2.17	
17,100	Vesuvius	56,926	2.89	
		99,730	5.06	-
	GENERAL RETAILERS			
12,828	Halfords	43,025	2.18	-

PORTFOLIO STATEMENT

Holding	Portfolio of Investments	Value £	Total Net Assets 31.12.15 %	Total Net Assets 31.12.14 %
	UNITED KINGDOM (Cont.)			
	HOUSE, LEISURE & PERSONAL GOODS			
1,209	Berkeley Group	44,588	2.26	
33,171	entu (UK)	18,244	0.93	
		62,832	3.19	-
	INDUSTRIAL TRANSPORT			
48,026	DX	9,485	0.48	-
	LIFE INSURANCE			
13,572	Aviva	70,032	3.55	
8,976	Phoenix Group Holdings	82,310	4.18	
16,600	Standard Life	64,690	3.28	
		217,032	11.01	-
	MEDIA			
12,996	STV	66,929	3.40	
12,274	United Business Media	64,623	3.28	
		131,552	6.68	-
	MINING			
8,171	BHP Billiton Plc	62,026	3.15	
4,675	Rio Tinto	92,518	4.69	
		154,544	7.84	-
	LPHARMACEUTICALS & BIOTECHNOLOGY			
1,650	AstraZeneca	76,164	3.87	-

Holding	Portfolio of Investments	Value £	Total Net Assets 31.12.15 %	31.12.14 %
	UNITED KINGDOM (Cont.)			
	OIL & GAS PRODUCERS			
7,447	BG Group	73,331	3.72	-
	OIL EQUIPMENT SERVICES			
8,333	Amec Foster Wheeler Plc	35,740	1.81	-
	REAL ESTATE			
19,166	New River Retail	65,931	3.35	
20,800	Palace Capital	71,760	3.64	
15,008	Safestore	53,579	2.72	
		191,270	9.71	-
	SOFTWARE & COMPUTER SERVICES			
11,150	FDM Group	57,423	2.91	
20,500	Kainos Group	52,890	2.68	
		110,313	5.59	-
	SUPPORT SERVICES			
20,196	St Ives Plc	45,189	2.29	-
	TECHNOLOGY HARDWARE			
13,500	Laird Plc	47,912	2.43	-
	TELECOMS			
15,820	TalkTalk	34,393	1.75	-

PORTFOLIO STATEMENT

Holding	Portfolio of Investments	Value £	Total Net Assets 31.12.15 %	31.12.14 %
	UNITED KINGDOM (Cont.)			
	TOBACCO			
1,627	Imperial Tobacco Group	58,279	2.96	-
	TRAVEL & LEISURE			
6,100	Greene King	56,730	2.88	-
	Portfolio of investments	2,000,019	97.88	98.23
	Other net assets	(29,437)	(1.49)	-
	Net assets	1,970,582	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 31 December 2015

Total Purchases for the year	£2,417,442
Major Purchases	**Cost £**
Kainos Group Plc	139,999
Rio Tinto	120,338
BHP Billiton Plc	109,293
Lloyds Banking Group	88,952
BG Group	85,570
Ashmore Group Plc	76,576
Tyman Plc	76,100
Standard Life	75,760
Palace Capital	74,880
Phoenix Group Holdings	74,698
Aviva	73,466
Amec Foster Wheeler Plc	73,152
AstraZeneca	68,665
Vesuvius	66,734
United Business Media	65,450
Barclays	63,321
Eurocell	61,865
New River Retail	57,498
Halfords	56,684
DS Smith	53,550

SUMMARY OF MATERIAL PORTFOLIO CHANGES
For the year ended 31 December 2015 (Cont.)

Total Sales for the year	**£343,858**
Major Sales	**Proceeds £**
Kainos Group Plc	157,089
Jardine Lloyd Thompson	39,461
Headlam	29,965
UK Mail	29,954
RPC Group	25,108
Savills	24,943
TalkTalk	17,828
DS Smith	15,117
South32 Ltd	4,393

The summary of material portfolio changes represents the 20 largest purchases and 9 largest sales during the period. There were no other sales during the period.

STATEMENT OF TOTAL RETURN
For the year ended 31 December 2015

	Notes	£	31.12.15 £
Income:			
Net capital losses	2		(75,728)
Revenue	3	55,692	
Expenses	4	(41,321)	
Finance costs: Interest		(187)	
Net revenue		14,184	
Taxation	5	-	
Net revenue after taxation			14,184
Total return before distributions			(61,544)
Finance costs: Distributions	6		(55,505)
Change in Net Assets Attributable to Shareholders from Investment Activities			**(117,049)**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the year ended 31 December 2015

	Notes	£	31.12.15 £
Opening Net Assets Attributable to Shareholders			-
Amounts receivable on issue of shares		2,076,954	
Amounts payable on cancellation of shares		(20,788)	
			2,056,166
Change in Net Assets Attributable to Shareholders from Investment Activities			(117,049)
Retained distribution on Accumulation Shares			31,465
Closing Net Assets Attributable to Shareholders			**1,970,582**

BALANCE SHEET
As at 31 December 2015

	Notes		31.12.15
		£	£
ASSETS			
Fixed assets			
Investment assets	14		2,000,019
Current assets			
Debtors	8	5,904	
Cash and bank balances		1,374	
Total current assets			**7,278**
Total assets			2,007,297
LIABILITIES			
Other creditors			
Creditors	8	(12,333)	
Distribution payable	9	(24,382)	
Total other creditors			(36,715)
Total liabilities			(36,715)
Net Assets Attributable to Shareholders			**1,970,582**

AGGREGATE NOTES TO THE FINANCIAL STATEMENTS
31 December 2015

1. ACCOUNTING POLICIES
The accounting policies shown on pages 21 and 22 relating to SGF also relate to SUIF.

2. NET CAPITAL LOSSES	31.12.15 £
The net capital losses during the year comprise:	
Non-derivative securities	(73,565)
Currency losses	-
Transaction charges	(2,163)
Net capital losses	(75,728)

3. REVENUE	
Non-taxable dividends	55,692
Total revenue	55,692

4. EXPENSES	
Payable to the ACD, associates of the ACD and agents of either of them:	
ACD's periodic charge	6,733
Expenses	-
	6,733
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary's fees	2,777
Safe custody and other bank charges	-
	2,777

4. EXPENSES (Cont.)	31.12.15 £
Other expenses:	
Fees paid to auditor - audit of the financial statements*	7,500
- tax compliance services	1,680
Printing fees	-
Publication costs	2,874
Legal and professional fees	-
Administration fees and other expenses	19,757
	31,811
Total expenses	41,321

*The audit fee was £6,250 excluding VAT.

5. TAXATION

(a) Analysis of charge for the year

Corporation tax at 20%	-
Overseas tax	-
Current tax charge/(credit) (note 5b)	-
Total taxation	-

(b) Factors affecting current charge for the period
The tax assessed for the period differs from the standard rate of corporation tax in the UK for an authorised fund (20%) for the reasons explained below:

Net revenue before taxation	14,184
Corporation tax at 20%	2,837
Effects of:	
Non-taxable dividends	(11,138)
Expenses not deductible for tax purposes	37
Unutilised excess management expenses	8,264
Corporation tax	-
Current tax charge (note 5a)	-

5. TAXATION (Cont.)

(c) Deferred tax
At the period-end there are potential tax assets of £8,264 in relation to surplus management expenses. It is considered unlikely that the sub fund will generate sufficient taxable profits in the future to utilise these amounts and, therefore, no deferred tax asset has been recognised in the current or prior period.

6. FINANCE COSTS

Distributions
The distributions take account of revenue received on the issue of shares and revenue deducted on cancellation of shares, and comprise:

	31.12.15 £
Interim distribution	6,978
Final distribution	55,848
Add: Revenue deducted on cancellation of shares	367
Deduct: Revenue received on issue of shares	(7,688)
Net distribution for the period	55,505
Interest	187
Total finance costs	55,692

Details of the distributions per share are set out in the table on page 89.

7. MOVEMENT BETWEEN NET REVENUE AND DISTRIBUTIONS

Net revenue after taxation	14,184
Allocations to Capital:	
Currency losses	-
Expenses charged to Capital	41,321
Balance of revenue carried forward	-
Net distributions for the year	55,505

Revenue is distributed on an annual and interim basis.

8. DEBTORS	31.12.15 £
Amounts receivable for issue of shares	-
Accrued revenue:	
Non-taxable dividends	5,904
Taxation recoverable:	
Overseas withholding tax	-
Total debtors	5,904

9. CREDITORS	
Amounts payable for cancellation of shares	-
Accrued expenses:	
Amounts payable to the ACD, associates of the ACD and agents of either of them:	
ACD's periodic charge	834
	834
Payable to the Depositary, associates of the Depositary and agents of either of them:	
Depositary's fees	652
Transaction charges	213
Safe custody and other bank charges	-
	865
Other expenses	10,634
Taxation payable:	
Stamp duty reserve tax	-
Total creditors	12,333

10. RELATED PARTY TRANSACTIONS

The ACD is a related party, and acts as principal in respect of all transactions of shares in the Company. The aggregate monies received through issue and paid on cancellation are disclosed in the Statement of Change in Net Assets Attributable to Shareholders.

GHC is a Director of the ACD, investment manager of SUIF and Chief Executive Officer of SFM. GHC held 217,352 Accumulation shares in SUIF as at 31 December 2015. Marcus Campbell, a son of GHC, held 3,902 Accumulation shares in SUIF as at 31 December 2015. Andreas Campbell, a son of GHC, held 3,902 Accumulation shares in SUIF as at 31 December 2015. Anna Campbell, a daughter of GHC, held 3,902 Accumulation shares in SUIF as at 31 December 2015. Olivia Partridge, a daughter of GHC, held 3,902 Accumulation shares in SUIF as at 31 December 2015. Lex Partridge, a son of GHC, held 3,902 Accumulation shares in SUIF as at 31 December 2015. JCS is a Director of the ACD and held 1,394 Distribution shares in SUIF as at 31 December 2015.

Management fees paid to the ACD are shown in note 4. The balance due to the ACD at the period-end in respect of the periodic charge was £834 and expenses incurred on behalf of SUIF by the ACD and recharged to SUIF was £Nil.

Depositary fees, safe custody fees and transaction charges paid to the Depositary are shown in note 4. The balance due to the Depositary at the period-end in respect of these fees was £865.

11. SHAREHOLDERS FUNDS

SUIF has two share classes: Accumulation and Distribution. The annual management charge on those shares is 0.5%.

The Net Asset Value and the Net Asset Value per share are given in the Comparative Tables and the number of shares in issue in Note 15.

12. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or outstanding commitments.

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

In pursuing the investment objective, a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (Cont.)

The main risks from SUIF's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

i) Credit risk
SUIF may find that securities in which it invests fail to settle their debts on a timely basis. The securities issued by such companies may decline in value as a result of the perceived increase in credit risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit credit risk.

ii) Interest rate risk
Interest rate risk is the risk that the value of SUIF's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in the interest rate environment, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of income receivable from fixed interest securities, receivable on bank balances or payable on bank overdrafts may be affected by fluctuations in interest rates.

By a careful assessment of economic and other relevant factors, the investment adviser will seek to invest in those securities most likely to benefit, or be shielded, from anticipated changes in interest rates.

The table below shows the interest rate risk profile:

	31.12.15 **£**
Floating rate assets/(liabilities):	
Pound Sterling	1,374
Assets on which interest is not paid:	
Pound Sterling	2,005,924
	2,007,298
Liabilities on which interest is not paid:	
Pound Sterling	(36,716)
Net Assets	1,970,582

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to UK LIBOR or its international equivalents.

There are no material amounts of non-interest bearing financial assets and liabilities other than equities, which do not have maturity dates.

13. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS (Cont.)

iii) Foreign currency risk
Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

Since all of the investments and cash and cash equivalents are denominated in the base currency of SUIF, the Balance Sheet and Statement of Total Return will not be affected by currency movements and as a result, a sensitivity analysis has not been performed.

iv) Liquidity risk
The main liability of SUIF is the cancellation of any shares that investors want to sell. Investments may have to be sold to fund such cancellations should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk, the Investment Manager will ensure that a substantial portion of SUIF's assets consist of readily realisable securities.

All assets and liabilities of SUIF held at 31 December 2015 can be liquidated within one month in normal circumstances.

v) Market price risk
Market price risk is the risk that the value of the financial instruments of SUIF will fluctuate as a result of changes in market prices caused by factors other than interest rates or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the sub fund holds.

Market price risk represents the potential loss SUIF may suffer through holding market positions in the face of price movements. The investment portfolio of SUIF is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. For an equity portfolio the risk is generally regarded as consisting of two elements - stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of primarily UK securities can mitigate market risk.

At 31 December 2015, if the price of each equity held by the sub fund had increased by 5%, whilst the foreign currency rates held constant, there would have been the following approximate increases in Net Assets attributable to shareholders: 2015: £100,000.

A decrease by 5% would result in an equal but opposite effect on Net Assets attributable to shareholders to the figures shown above, on the basis that all other variables remain constant.

This calculation is based on adjusting the fair value of the equities, as at 31 December 2015. Based on the view of the market a 5% movement would be deemed reasonable of the underlying funds for the calculation, this represents the view of the Investment Manager of a reasonably possible movement for a six to twelve-month period based on current market conditions.

vi) Fair value of financial assets and financial liabilities
There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

vii) Leverage
There is no leverage on SUIF.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

The table below shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2) and;
- those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

31.12.15	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets at fair value through profit or loss				
Financial assets held for trading				
Equities	2,000,019	-	-	2,000,019
	2,000,019	**-**	**-**	**2,000,019**

15. SHARES ISSUED AND REDEEMED DURING THE YEAR

Accumulation Shares	**31.12.15**
Number of Shares outstanding at start of the period	-
Number of Shares issued	1,012,756
Number of Shares redeemed	(8,144)
Number of Shares outstanding at end of the period	**1,004,612**

Distribution Shares	**31.12.15**
Number of Shares outstanding at start of the period	-
Number of Shares issued	1,051,944
Number of Shares redeemed	(13,223)
Number of Shares outstanding at end of the period	**1,038,721**

16. PORTFOLIO TRANSACTION COSTS

	31.12.15 £
Analysis of total purchase costs	
Purchases in year before transaction costs	2,400,107
Transaction costs:	
Commissions	5,395
Stamp duty and other charges	11,940
	17,335
Gross purchase total	2,417,442
Analysis of total sale costs	
Gross Sales before transaction costs	344,965
Transaction costs:	
Commissions	(783)
Stamp duty and other charges	(324)
	(1,107)
Total sales net of transaction costs	343,858

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

17. POST BALANCE SHEET EVENTS

Subsequent to the period end, the dealing net asset value per unit of SUIF has increased from £0.9843 to £0.9540 for the Accumulation shares and from £0.9769 to £0.9241 for the Distribution shares as at 11 April 2016. This movement takes into account routine transactions but also reflects the significant market movements of recent months. There are no post balance sheet events which require adjustments at the period end.

There were no material post balance sheet events which have a bearing on the understanding of the financial statements.

DISTRIBUTION TABLE

For the year ended 31 December 2015 (in pounds per share)

Interim
Distribution Shares
Group 1 - Shares purchased prior to 1 January 2015
Group 2 - Shares purchased on or after 1 January 2015 and on or before 30 June 2015

Distribution Shares	Net Revenue	Equalisation	Allocated 30.09.15
Group 1	0.0077	-	0.0077
Group 2	0.0061	0.0016	0.0077

Final
Accumulation Shares
Group 1 - Shares purchased prior to 1 January 2015
Group 2 - Shares purchased on or after 1 January 2015 and on or before 31 December 2015

Distribution Shares
Group 1 - Shares purchased prior to 1 July 2015
Group 2 - Shares purchased on or after 1 July 2015 and on or before 31 December 2015

Accumulation Shares	Net Revenue	Equalisation	Allocated 31.03.16
Group 1	0.0313	-	0.0313
Group 2	0.0267	0.0046	0.0313

Distribution Shares	Net Revenue	Equalisation	Allocated 31.03.16
Group 1	0.0235	-	0.0235
Group 2	0.0127	0.0108	0.0235

EQUALISATION

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to Income Tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

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, SGIG and SUIF 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 three funds, SGF, SGIG and SUIF. 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 the Company's long form accounts for the year ended 31 December 2015 is 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 Distribution 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, SGIG and SUIF are determined by reference to their underlying market values of Net Assets at the valuation point.

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

With the agreement of the Depositary, SGF, SGIG and SUIF 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 Saracen Fund Managers at www.saracenfundmanagers.com, 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.