



TB SARACEN INVESTMENT FUNDS ICVC

INTERIM REPORT &
FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2016

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Note: The Authorised Corporate Director’s Report consists of ‘Authorised Status’ and ‘Structure of the Company’ on page 2, ‘Authorised Status’ and ‘Investment Objective and Policy’ on pages 4, 19 and 36, ‘Investment Review’ as provided by the Investment Manager, on pages 6 to 8, 21 to 23 and 38 to 40 and ‘Directory’ on page 52.

THE AUTHORISED CORPORATE DIRECTOR

The Authorised Corporate Director (the 'ACD') of TB Saracen Investment Funds ICVC (the 'Company') is T. Bailey Fund Services Limited ('TBFS'). Saracen Fund Managers Limited is the Investment Manager (the 'Investment Manager') of the Company.

Please note that T. Bailey Fund Services Limited replaced Saracen Fund Managers Limited as ACD on 1 July 2016. As Saracen Fund Managers Limited was the ACD for the period covered by these Financial Statements, information contained in the Financial Statements for the six months ended 30 June 2016 has been provided by both Saracen Fund Managers Limited and T. Bailey Fund Services Limited.

Saracen Fund Managers Limited and T. Bailey Fund Services Limited are authorised and regulated by the Financial Conduct Authority. Further information about Saracen Fund Managers Limited can be found at www.saracenfundmanagers.com

YOUR INVESTMENTS

You can buy or sell shares in the sub-funds of the Company through your Financial Advisor. Alternatively, you can telephone the dealing line; 0115 988 8274, during normal office hours. Application forms can be requested in writing from the ACD or by calling the Client Services Team on the dealing line. They can also be downloaded from the website: www.tbaileyfs.co.uk/funds/tb-saracen-investment-funds.

Prices for the sub-funds are published each normal business day on www.tbaileyfs.co.uk/funds/tb-saracen-investment-funds and also via the website; www.fundlistings.com.

OTHER INFORMATION

Full details of TB Saracen Investment Funds ICVC are set out in the Prospectus. This document provides investors with extensive information about the Company and its sub-funds including risks and expenses. A copy of the Prospectus is available on request from the ACD, or can be found at www.tbaileyfs.co.uk/funds/tb-saracen-investment-funds.

The Key Investor Information documents and Supplementary Information document are also available at www.tbaileyfs.co.uk/funds/tb-saracen-investment-funds.

AUTHORISED STATUS

The Company is an open-ended investment company with variable capital, incorporated in Scotland with registered number of SI000005. The effective date of the authorisation order made by the Financial Services Authority (which has since been succeeded by the FCA) in respect of the Company was 19 January 1999. The Company's duration is unlimited. The Company is a UCITS Scheme in terms of COLL and is also structured as an umbrella company so that the Scheme Property of the Company may be divided among two or more funds.

Shareholders of the Company are not liable for the debts of the Company.

STRUCTURE OF THE COMPANY

The Company is structured as an umbrella company and different sub-funds may be established by the ACD with the agreement of the Depositary and the approval of the FCA. On the introduction of any new sub-fund, or share class, a revised prospectus will be prepared and issued.

The Company is compliant with the Protected Cell Regime for OEICs. Under the Protected Cell Regime, each sub-fund represents a segregated portfolio of assets and accordingly, the assets of the sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-fund and shall not be available for any such purpose.

There are currently three sub-funds in existence; TB Saracen UK Alpha Fund*, TB Saracen Global Income and Growth Fund and TB Saracen UK Income Fund.

The base currency of the Company is Pounds Sterling.

** Please note that TB Saracen UK Alpha Fund was previously known as Saracen Growth Fund. The change of name took place on 1 July 2016.*

CROSS HOLDINGS BETWEEN SUB-FUNDS

As at the period end there were no cross holdings between the three sub-funds.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The ACD of the Company is responsible for preparing the report and the financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes' Sourcebook ("COLL") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each accounting period which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law") and the Statement of Recommended Practice: "Financial Statements of Authorised Funds" issued by the Investment Association ("IA SORP") in May 2014; and
- give a true and fair view of the financial position of the Company and each of its sub-funds as at the end of that period and the net revenue or expense and the net capital gains or losses on the property of the Company and each of its sub-funds for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards and the IA SORP have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable it to ensure that the financial statements comply with the applicable IA SORP and United Kingdom Accounting Standards and applicable law. The ACD is also responsible for the system of internal controls, for management of the Company in accordance with the COLL and the Prospectus and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTOR'S STATEMENT

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes sourcebook, we hereby certify the report on behalf of the Directors of T. Bailey Fund Services Limited.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements as the assets of the Company and sub-funds consists of predominantly securities that are readily realisable and, accordingly, each of the sub-funds has adequate resources to continue in operational existence in the foreseeable future.

Helen Stevens
Chief Executive Officer
T. Bailey Fund Services Limited
19 August 2016

Richard Taylor
Compliance Director
T. Bailey Fund Services Limited
19 August 2016

TB SARACEN UK ALPHA FUND*, AUTHORISED STATUS

The Fund is a sub-fund of TB Saracen Investment Funds ICVC with investment powers equivalent to those of a UCITS Scheme as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

** Please note that TB Saracen UK Alpha Fund was previously known as Saracen Growth Fund. The change of name took place on 1 July 2016.*

INVESTMENT OBJECTIVE AND POLICY**

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

The Investment Manager will employ a value based approach, using both quantitative and qualitative techniques to achieve the above objective. In addition to the objective of maximising returns, the Investment Manager will also seek to protect the capital of investors. Whilst risk will be carefully controlled through diversification and rigorous analysis investor's capital will be at risk and there is no guarantee that the investment objective will be achieved.

*** Please note that the investment objective of the Fund was changed on 1 July 2016. The previous investment objective was to achieve a return on the invested assets at a higher rate than the return on the FTSE All Share Index.*

RISK PROFILE

As the Fund will invest primarily in UK listed shares, the Fund will have greater exposure to UK market, political and economic risks than a fund which diversifies across a number of countries.

The Fund may invest in small-cap companies. Smaller companies' securities are often traded less frequently than those of larger companies, this means they may be more difficult to buy and sell.

The value of the investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

The movement in exchange rates may lead to further changes in the value of investments and the income from them.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

CHANGES TO THE FUND

On 1 July 2016 T. Bailey Fund Services Limited replaced Saracen Fund Managers Limited as ACD of the Fund.

On the same day the following changes also came into effect. These changes were all notified to existing shareholders in advance:

- The Fund name was changed from Saracen Growth Fund to TB Saracen UK Alpha Fund.
- The name of the share classes changed from Alpha and Beta to A Accumulation and B Accumulation.
- The income distribution date was changed from 31 March to 28/29 February.
- The valuation point was changed from 11:45PM to 12PM.
- The benchmark of the Fund was changed from FTSE All Share Index to MSCI UK All Cap Index.
- The Administrator and Registrar was changed from SMT Fund Services (Ireland) to T. Bailey Fund Services Limited.
- The Depository was changed from BNY Mellon Trust & Depository (UK) Limited to National Westminster Bank Plc.
- The Custodian was changed from The Bank of New York Mellon to The Northern Trust Company.
- There was a change to the fee structure including; ACD, Depository, Custodian, Registrar and Administration fees.

For more details of any of the above changes please contact clientservices@tbailey.co.uk

SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of 1 to 7. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category 5 because it invests in shares, an asset class which has seen large rises and falls in recent years.

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the annual management charge, but also includes the costs for other services paid in respect of depository, custody, FCA, audit fees and transaction charges. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performances tables on pages 13 and 14.

TB SARACEN UK ALPHA FUND, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 30 June 2016 (%)			
	6 months	1 year	3 years	5 years
A Accumulation Shares	(11.15)	(12.56)	23.11	38.81
B Accumulation Shares	(10.93)	(12.12)	24.97	42.32
MSCI UK All Cap Index	4.92	2.24	17.68	34.39
FTSE All Share Index	4.27	2.21	18.62	35.52

Source: Financial Express. Total return, bid to bid. Sterling terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

Economic and Market Review

The UK stock market had a positive first half, with the FTSE All Share index rising 4.3%. However, as was the case in 2015, there were fairly large variances depending on market capitalisation. The FTSE 100 led the way with a total return of 6.6%. The FTSE 250 and FTSE Small Cap struggled however, returning -5.2% and -2.0% respectively.

It was a period of extreme volatility with markets falling sharply in the early months of 2016. At the low point in February, UK equities had fallen 10% since the start of the year. The concerns were a continuation of those from late 2015: further declines in metals and oil prices and worries about global growth along with significant falls in the global banks sector, leading to fears of another financial crisis. As is often the way, these fears became self-fulfilling at times. It was only later in February that we saw signs of trend reversion – commodity prices rose sharply from depressed levels as did emerging markets.

However, it was the decision by the UK to leave the EU on 23 June which really dominated the investment landscape during the period. Currency movements and the prospects for UK and European growth have been the dominant factors since the vote on the 23rd and look set to remain so for the foreseeable future. Since then the pound has fallen around 10% against the US dollar and the Euro. These are seismic shifts for currency markets, reflecting the historic and unprecedented nature of the Brexit decision. Medium-dated government bonds continued to benefit from a flight to safety with UK 10-year gilts now yielding less than 1%, an all-time low. German and Japanese yields are negative, highlighting the uncharted territory which investors must now navigate. The Mid 250 index bore the brunt of the Brexit decision - in the five trading days after the EU vote it fell 9.3%.

Against this backdrop there were significant sector divergences with oil & gas, mining and pharmaceuticals all seeing sharp rises. At the other extreme general retailers, house builders and financial sectors all fell. There was a clear distinction between large, overseas earners and more cyclical, domestic sectors.

The Fund had an extremely disappointing six months with Beta shares (B Accumulation) returning -10.9% and Alpha shares (A Accumulation) -11.2%. A large proportion of this fall took place in the final week of the period, in the immediate aftermath of the decision by UK voters to leave the EU. As a predominantly small and mid-cap portfolio at present, the Fund has had a difficult time following the result. Many of our largest positions, have, we believe, been unfairly treated on a short-term view as the market has adjusted to the result. MJ Gleeson, which was the fund's largest position, dropped 29% in the final week of this review. Lloyds Banking Group and Howden Joinery both shed 25% and Berkeley Group, another house builder, fell 23%. Amongst our retail holdings, Dunelm lost 19% of its value.

TB SARACEN UK ALPHA FUND, INVESTMENT REVIEW (CONTINUED)

Not only did many of our investments fall over the period but we had very limited exposure to the best performing large companies which rallied significantly post the Brexit vote, as sterling weakness boosted their international earnings. That said, many of our holdings, particularly in the industrial sector should benefit from the weakness in sterling through currency upgrades.

Activity Report

During the first half of 2016, four stocks were added to the portfolio and three sold. New stocks within TB Saracen UK Alpha were **AstraZeneca**, **Card Factory**, **Joules** and **Prudential**. The stocks which exited the fund were **BG Group**, **Futura Medical** and **Morgan Advanced Materials**.

AstraZeneca has a 3 phase plan to grow its pipeline, manage patent expiry and then accelerate growth. The business has already been the subject of a bid and if the strategy is not successful, it is quite possible the company will be bid for again. **Card Factory** is the UK's specialist leading retailer of greeting cards and related gifting items and has increased its market share from 2% in 2004 to c. 19% at present. **Joules** is a British premium lifestyle brand which designs and sells branded lifestyle clothing, accessories and homewares. We believe the company has many years self-funded growth, both home and overseas, ahead. **Prudential** is a global leading business with attractive growth prospects particularly in its Asian franchise. In addition, their subsidiary in the US, Jackson National Life, has been performing well. The company has a new, internally appointed CEO and we expect good growth in the dividend in coming years.

We exited our position in **BG Group** after the company was acquired by Royal Dutch Shell. **Futura Medical**, the innovative healthcare company, was sold as the sales growth being delivered was weaker than we had hoped. **Morgan Advanced Materials** was disposed of as it became clear the recovery in end markets was going to take longer than anticipated.

The asset allocations at the period end are shown below:

Sector	Asset allocation as at 30 June 2016 (%)	Asset allocation as at 31 December 2015 (%)
Aerospace & Defence	3.8	3.9
Automobiles & Parts	5.8	5.2
Banks	2.6	2.0
Chemicals	6.3	5.9
Construction Materials	7.2	7.5
Electronic & Electronic Equipment	3.2	2.5
Financial Services	1.9	2.1
General Financial	7.2	5.7
General Industrials	8.8	9.8
General Retailers	11.2	6.5
Healthcare	-	0.8
House, Leisure & Personal Goods	11.0	13.9
Industrial Engineering	6.9	5.0
Insurance	2.6	-
Media	4.3	6.2
Mining	3.1	2.4
Pharmaceuticals & Biotechnology	1.9	-
Oil & Gas Producers	-	3.6
Real Estate	2.1	2.5
Support Services	6.7	11.1
Telecoms	1.5	1.3
Cash and Other	1.9	2.1
Total	100.0	100.0

The full list of holdings at the period end is shown in the Portfolio Statement on pages 9 to 12.

Outlook

As we finish writing this review, all we can be sure of is that the world has changed. We did not expect the United Kingdom to vote to leave the EU and the implications of this decision are, as yet, unknown. The knee-jerk reaction has been to seek safety in large overseas earners whilst smaller, domestically-focused stocks have borne the brunt of this decision.

The ramification from the vote is far from clear, but our best guess at present is as follows. Firstly, any interest rate increases are off the table for the foreseeable future. Secondly, consumer sentiment will be hit in the short-term, partially driven by the media. Lastly, and perhaps most importantly, despite the speedy appointment of the new Prime Minister, no one is yet sure when Article 50 of the Treaty of Lisbon will be triggered.

We commented at both the end of 2015 and at the first quarter that the stock market had, potentially, plenty of head winds ahead, with the most pressing of these being the possibility of a 'Brexit' and increasing interest rates at some stage. The first has come to fruition whereas the second has dissipated for the time being.

As long-term holders of stocks, times of turbulence provide opportunities for us patient investors. We are not trying to second-guess the market on a weekly, monthly or even yearly basis but are investing on average over a four to five-year view. On this basis, we continue to monitor our stocks and add on any weakness as we did in the first half of the year. We still believe, however, there is much value to be unlocked in the stocks in which the Fund has an investment.

Craig H Yeaman
Investment Director
Saracen Fund Managers Limited
19 August 2016

TB SARACEN UK ALPHA FUND, PORTFOLIO STATEMENTAs at 30 June 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Aerospace & Defence (3.8%; 31.12.15 - 3.9%)		
103,449 Avon Rubber	879,317	3.8
	879,317	3.8
Automobiles & Parts (5.8%; 31.12.15 - 5.2%)		
500,000 GKN	1,348,500	5.8
	1,348,500	5.8
Banks (2.6%; 31.12.15 - 2.0%)		
1,100,000 Lloyds Banking Group	594,660	2.6
	594,660	2.6
Chemicals (6.3%; 31.12.15 - 5.9%)		
315,000 Elementis	629,055	2.7
56,000 Victrex	846,160	3.6
	1,475,215	6.3
Construction Materials (7.2%; 31.12.15 - 7.5%)		
298,571 Eurocell	465,771	2.0
484,517 Tyman	1,211,293	5.2
	1,677,064	7.2
Electronic & Electrical Equipment (3.2%; 31.12.15 - 2.5%)		
47,554 XP Power	739,940	3.2
	739,940	3.2

TB SARACEN UK ALPHA FUND, PORTFOLIO STATEMENT (CONTINUED)As at 30 June 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Financial Services (1.9%; 31.12.15 - 2.1%)		
24,786 Rathbone Brothers	436,234	1.9
	436,234	1.9
General Financial (7.2%; 31.12.15 - 5.7%)		
270,000 Ashmore	802,440	3.4
500,000 IFG Group	880,000	3.8
	1,682,440	7.2
General Industrials (8.8%; 31.12.15 - 9.8%)		
66,000 Keller Group	597,300	2.6
185,000 RPC Group	1,449,474	6.2
	2,046,774	8.8
General Retailers (11.2%; 31.12.15 - 6.5%)		
210,000 Bonmarche	253,050	1.1
215,000 Card Factory	685,635	3.0
80,000 Dunelm	630,800	2.7
250,000 Joules	427,500	1.8
264,000 Pets at Home	615,120	2.6
	2,612,105	11.2
House, Leisure & Personal Goods (11.0%; 31.12.15 - 13.9%)		
37,000 Berkeley	933,510	4.0
425,000 Entu	235,875	1.0
332,000 MJ Gleeson	1,394,400	6.0
	2,563,785	11.0

TB SARACEN UK ALPHA FUND, PORTFOLIO STATEMENT (CONTINUED)As at 30 June 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Industrial Engineering (6.9%; 31.12.15 - 5.0%)		
132,000 Hill & Smith	1,174,140	5.0
30,000 Weir Group	432,300	1.9
	1,606,440	6.9
Insurance (2.6%; 31.12.15 - 0.0%)		
48,000 Prudential	603,360	2.6
	603,360	2.6
Media (4.3%; 31.12.15 - 6.2%)		
330,000 STV	1,003,200	4.3
	1,003,200	4.3
Mining (3.1%; 31.12.15 - 2.4%)		
31,000 Rio Tinto	711,140	3.1
	711,140	3.1
Pharmaceuticals & Biotechnology (1.9%; 31.12.15 - 0.0%)		
10,000 AstraZeneca	446,700	1.9
	446,700	1.9
Real Estate (2.1%; 31.12.15 - 2.5%)		
310,000 Development Securities	489,800	2.1
	489,800	2.1

TB SARACEN UK ALPHA FUND, PORTFOLIO STATEMENT (CONTINUED)As at 30 June 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Support Services (6.7%; 31.12.15 - 11.1%)		
200,000 Howden Joinery	768,200	3.3
280,000 Restore	798,000	3.4
	1,566,200	6.7
Telecoms (1.5%; 31.12.15 - 1.3%)		
160,000 TalkTalk	350,720	1.5
	350,720	1.5
Portfolio of investments	22,833,594	98.1
Net other assets	447,511	1.9
Total net assets	23,281,105	100.0

All holdings are equities quoted on official stock exchanges.

'Healthcare' sector disinvested since the beginning of the period (31 December 2015: 0.8%).

'Oil and Gas Producers' sector disinvested since the beginning of the period (31 December 2015: 3.6%).

TB SARACEN UK ALPHA FUND, SUMMARY OF FUND PERFORMANCE

A Accumulation Shares	1 Jan 2016 to 30 Jun 2016 (Pence per Share)	1 Jan 2015 to 31 Dec 2015 (Pence per Share)	1 Jan 2014 to 31 Dec 2014 (Pence per Share)	1 Jan 2013 to 31 Dec 2013 (Pence per Share)
Change in net assets per share				
Opening net asset value per share	371.51	337.56	330.34	246.42
Return before operating charges*	(11.40)	61.56	30.03	92.88
Operating charges	(30.05)	(27.61)	(22.81)	(8.96)
Return after operating charges*	(41.45)	33.95	7.22	83.92
Closing net asset value per share	330.06	371.51	337.56	330.34
Retained distributions on accumulation shares	0.00	3.78	3.24	3.22
* after direct transaction costs of:	2.06	1.12	0.59	0.12
Performance				
Return after charges	(11.16)%	10.06%	2.19%	34.06%
Other information				
Closing net asset value	£3,579,425	£4,464,933	£4,745,050	£4,975,351
Closing number of shares	1,084,472	1,201,840	1,405,688	1,506,115
Operating charges (p.a)	1.75%	1.77%	1.71%	1.72%
Direct transaction costs (p.a)	0.58%	0.31%	0.18%	0.04%
Prices				
Highest published share price	371.93	388.27	355.09	330.34
Lowest published share price	312.62	333.46	303.73	250.87

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

TB SARACEN UK ALPHA FUND, SUMMARY OF FUND PERFORMANCE (CONTINUED)

B Accumulation Shares	1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 31 Dec 2015	1 Jan 2014 to 31 Dec 2014	1 Jan 2013 to 31 Dec 2013
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	593.61	536.68	522.58	387.88
Return before operating charges*	(55.59)	66.47	22.76	146.70
Operating charges	(9.43)	(9.54)	(8.66)	(12.00)
Return after operating charges*	(65.02)	56.93	14.10	134.70
Closing net asset value per share	528.59	593.61	536.68	522.58
Retained distributions on accumulation shares	0.00	8.92	7.73	7.30
* after direct transaction costs of:	0.65	0.39	0.23	0.16
Performance				
Return after charges	(10.95)%	10.61%	2.70%	34.73%
Other information				
Closing net asset value	£19,701,680	£21,638,699	£20,384,748	£24,909,463
Closing number of shares	3,727,213	3,645,264	3,798,318	4,766,591
Operating charges (p.a.)	1.25%	1.27%	1.21%	1.23%
Direct transaction costs (p.a)	0.11%	0.07%	0.04%	0.03%
Prices				
Highest published share price	595.72	618.78	562.23	522.58
Lowest published share price	500.74	530.20	482.39	394.89

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

TB SARACEN UK ALPHA FUND, STATEMENT OF TOTAL RETURNFor the six-month period ended 30 June 2016

		30.06.16	30.06.15
	£	£	£
Income			
Net capital (losses)/gains		(2,866,154)	2,726,719
Revenue	433,310		372,223
Expenses	<u>(174,818)</u>		<u>(175,146)</u>
Net revenue before taxation	258,492		197,077
Taxation	<u>-</u>		<u>-</u>
Net revenue after taxation		<u>258,492</u>	<u>197,077</u>
Total (loss)/return before distributions		(2,607,662)	2,923,796
Distributions		(2,424)	(2,404)
Change in net assets attributable to shareholders from investment activities		<u>(2,610,086)</u>	<u>2,921,392</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERSFor the six-month period ended 30 June 2016

		30.06.16	30.06.15
	£	£	£
Opening net assets attributable to shareholders		25,855,766	25,129,798
<i>Movements due to sales and repurchases of shares:</i>			
Amounts receivable on issue of shares	1,280,539		248,922
Amounts payable on cancellation of shares	<u>(1,245,114)</u>		<u>(1,625,996)</u>
		35,425	(1,377,074)
Dilution levy		-	3,683
Change in net assets attributable to shareholders from investment activities		(2,610,086)	2,921,392
Closing net assets attributable to shareholders		<u>23,281,105</u>	<u>26,677,799</u>

Note: Section 3.30 of the IA SORP requires comparative figures for the end of the half yearly period of the prior year for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period as these are not consecutive periods.

TB SARACEN UK ALPHA FUND, BALANCE SHEETAs at 30 June 2016

	30.06.16	31.12.15
	£	£
Assets:		
Fixed Assets:		
Investments	22,833,594	25,308,825
Current Assets:		
Debtors	224,010	79,538
Cash and bank balances	397,997	512,844
Total assets	<u>23,455,601</u>	<u>25,901,207</u>
Liabilities:		
Creditors:		
Other creditors	174,496	45,441
Total liabilities	<u>174,496</u>	<u>45,441</u>
Net assets attributable to shareholders	<u>23,281,105</u>	<u>25,855,766</u>

1. Accounting policies**(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 FRS 102 as modified by the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

As described in the Statement of the Authorised Corporate Director's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

(b) Recognition of revenue

Dividends on holdings, net of any irrecoverable tax, are recognised when the underlying security is quoted ex-dividend. Bank interest is accounted for on an accruals basis.

(c) Treatment of stock dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis.

(d) Treatment of expenses

All expenses, except those relating to the purchase and sale of investments are charged to the revenue account.

(e) Allocation of revenue and expense to multiple share classes

Any assets or liabilities not attributable to a particular share class will be allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

(f) Taxation/deferred taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 20%.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

(g) Distribution policy

Net revenue produced by the Fund's investments accrues annually. At the end of the accounting period, the revenue, less the expenses allocated to the revenue account, is accumulated as per the prospectus.

TB SARACEN UK ALPHA FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2016

1. Accounting policies (continued)**(h) Exchange rates**

Assets and liabilities in overseas currencies at the period end are translated into Sterling at the latest available rates of exchange on the balance sheet date.

(i) Basis of valuation of investments

The investments are valued at closing prices on the balance sheet date. If closing prices are not available, the latest available prices are used.

If separate offer and bid prices are quoted for shares or units, then the bid price is used.

If no price or recent available price exists, the investment is valued at a price which, in the opinion of the ACD, reflects the fair value of the investment.

TB SARACEN GLOBAL INCOME AND GROWTH FUND, AUTHORISED STATUS

The Fund is a sub-fund of TB Saracen Investment Funds ICVC with investment powers equivalent to those of a UCITS Scheme as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

INVESTMENT OBJECTIVE AND POLICY

The investment objective of TB Saracen Global Income and Growth Fund ('SGIG') is to provide a degree of income to investors together with the aim of building capital. To meet this objective, the Investment Manager 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 Investment Manager. The Fund may also invest in cash and near cash, deposits and collective investment schemes. In addition to maximising returns, the Investment Manager will also seek to protect the capital of investors.

The Investment Manager will employ a value based approach, using both quantitative and qualitative techniques to achieve the above objective. In addition to the objective of maximising returns, the Investment Manager will also seek to protect the capital of investors. Whilst risk will be carefully controlled through diversification and rigorous analysis investor's capital will be at risk and there is no guarantee that the investment objective will be achieved.

RISK PROFILE

The value of the investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

The movement in exchange rates may lead to further changes in the value of investments and the income from them.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

CHANGES TO THE FUND

On 1 July 2016 T. Bailey Fund Services Limited replaced Saracen Fund Managers Limited as ACD of the Fund.

On the same day the following changes also came into effect. These changes were all notified to existing shareholders in advance:

- The income distribution dates were changed from 31 March and 30 September to 28/29 February and 31 August.
- The accumulation share classes will now also pay six monthly distributions rather than annually.
- The valuation point was changed from 11:45PM to 12PM.
- The Administrator and Registrar was changed from SMT Fund Services (Ireland) to T. Bailey Fund Services Limited.
- The Depositary was changed from BNY Mellon Trust & Depositary (UK) Limited to National Westminster Bank Plc.
- The Custodian was changed from The Bank of New York Mellon to The Northern Trust Company.
- There was a change to the fee structure including; ACD, Depositary, Custodian, Registrar and Administration fees.

For more details of any of the above changes please contact clientservices@tbailey.co.uk

SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of 1 to 7. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category 5 because it invests in shares, an asset class that has seen large rises and falls in recent years.

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the annual management charge, but also includes the costs for other services paid in respect of depositary, custody, FCA, audit fees and transaction charges. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performances table on pages 27 to 30.

TB SARACEN GLOBAL INCOME AND GROWTH FUND, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 30 June 2016 (%)			
	6 months	1 year	3 years	5 years
B Accumulation Shares	8.56	5.63	20.92	55.67
IA Global Equity Income Sector Average	9.19	9.60	25.29	48.90

Source: Financial Express. Total return, bid to bid. Sterling terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

Economic & Market Review

So far in 2016, equity markets have been unusually volatile. The year began with concerns about the health of the Chinese economy. This then spiralled into worries that the US economy was heading back into recession. In addition, investors fretted about the impact of a falling oil price on emerging market economies and the banking system. Sentiment was very poor and the market low in February recorded many indices down 10% or more.

Thankfully markets regained their poise as both the macro and micro economic news flow proved much better than feared.

However, market participants became increasingly unnerved as we progressed through June and headed for the UK referendum vote. Volatility increased and spiked on the day we learned that UK citizens had voted to leave the European Union. The reduced liquidity in the run up to, and after, the referendum exacerbated share price moves during the quarter but especially in the last two weeks of June.

Needless to say there is an unusual amount of uncertainty in the markets due to the political situation in the UK and potential knock-on effects in other economies. Global investors withdrew money from the UK market and UK investors increased their cash position in Q2. The hardest hit was the FTSE 250 but also large cap UK and European shares suffered at the end of the month. We have not seen a return to normality yet. In fact, liquidity in the market remains very thin and it seems many investors are still waiting to deploy their cash.

We view Brexit mostly as a UK phenomenon, with some contagion risk to Europe. This is not a repeat of the financial crisis in 2008/09. We do not expect a global recession and still see global economic growth, albeit at lower levels with companies in a much better shape than they were in 2008. The impact on global trade should be minimal and Central banks still have the authority to intervene in capital markets to boost liquidity and stimulate growth, if this proves necessary.

Against this volatile background, SGIG produced a total return of +8.6% (B Accumulation shares). In comparison, the IA Global Equity Income sector average was +9.2%.

Activity Report

The focus of the portfolio is firmly company-based. In order to reduce the risk of portfolio concentration and style we operate with constraints on the number of holdings and sector limits in the fund. We are aware that investment risk for many of our clients correlates with losing money. While we believe we are limited in our ability to spot short-term fluctuations, we also analyse each investment on a realistic 'worst case' basis. When analysing any investment where we estimate the worst case to be too unpalatable, we do not invest. Similarly, if the worst case of an existing holding was to deteriorate to an unacceptable level, then the shares would be sold. Other reasons for selling an investment would be on valuation grounds, or if we are able to invest in a similar company with a lower valuation and better risk profile.

Activity over the first six months was higher than usual as we took advantage of the market volatility to buy some high quality global franchises very cheaply. Most of our new additions have been on our wish list for a long time but valuation or a low dividend yield kept us from buying them. We believe that these new additions will enhance the long-term prospects for the fund.

Purchases included **Apple, Covestro, Harley Davidson, H&R Block, JP Morgan, LVMH and Mizuho Financial Group**. Sales were **Aviva, Barclays, BASF, Ericsson, GlaxoSmithKline, Jardine Lloyd Thompson (JLT), McDonald's, MTN, Sanofi, Syngenta, Telenor** and **Tiger Brands**.

Out of the sales, **Aviva, GlaxoSmithKline, JLT, McDonalds, Sanofi, Syngenta** and **Tiger Brands** were sold on valuation grounds.

The risk profile became too unfavourable with **Barclays, Ericsson, MTN** and **Telenor**. We switched out of **BASF** into **Covestro** given its higher quality portfolio and share price upside potential.

Apple is the biggest brand in the world and has a 50%+ market share of the high end smart phone market. The concern about the iPhone going ex-growth led to a significant share price decline. The shares now trade on 10X PER – unadjusted for the surplus cash - with a dividend yield of 2.3%. We believe the concerns are overdone. **Harley Davidson** shares have been de-rating from over 20x to just around 10x over the last 12 months. We see this as an opportunity to take a long-term view on one of the world's premium brands with a strong core customer market and plenty of self-help projects to gain back market share. **H&R Block**, which provides assisted and DIY tax return preparation primarily in the US and its territories, Canada, and Australia, had been a very poor performer over concerns about poor execution in the current tax financial year. However, we believe that this provides an attractive entry point for the long-term investor. **JP Morgan** will continue to benefit from the improvement in the US economy and strong global position in Investment Banking. The capital position is more than adequate and trading at 0.9x book and with an 11% return on tangible equity, the shares look very attractive in an unloved sector. **LVMH** is the best-diversified and best-positioned luxury goods brand globally with an incredible array of high quality enduring brands such as Louis Vuitton, Moet Hennessey, Tag Heuer, Dom Perignon and Glenmorangie. LVMH has a lot of characteristics we like to have in SGIG – it is number one in its sector, a leading innovator and trend setter, it has a "defensive" portfolio and very strong balance sheet. **Mizuho Financial Group** is an unusual bank in that it has been unwinding cross holdings, improving governance and is set on a strategy to increase lending overseas, in support of large Japanese corporates and other international businesses and growing non-interest income, which is already more than 50% of revenues. Trading around 0.5x NTB and with a yield approaching 5%, the shares appear to have been de-rated, despite the underlying improvements and stable earnings outlook.

TB SARACEN GLOBAL INCOME AND GROWTH FUND, INVESTMENT REVIEW (CONTINUED)

The asset allocations at the period end are shown below:

Sector	Asset allocation as at 30 June 2016 (%)	Asset allocation as at 31 December 2015 (%)
Bermuda	1.5	1.5
Finland	2.0	1.9
France	6.8	6.3
Germany	9.1	6.5
Japan	1.7	-
Luxembourg	3.2	1.9
Netherlands	1.9	1.9
Norway	-	2.1
Singapore	3.0	2.3
Spain	1.5	1.5
Sweden	2.0	3.1
Switzerland	12.9	14.4
South Africa	-	3.4
United Kingdom	21.6	26.3
United States	33.8	26.4
Cash and Other	(1.0)	0.5
Total	100.0	100.0

The full list of holdings at the period end is shown in the portfolio statement on pages 24 to 26.

Dividend

The interim dividend increased from 2.73p to 2.9p in the six months to June 2016 representing a 6.2% year on year increase.

Outlook

The global economic environment might have changed somewhat with Brexit. However, we are still finding value in some of the more cyclical areas of the market such as Basic Materials and Industrials. Our weight in Healthcare is at the upper limit and we expect a re-rating of the sector. Our portfolio contains 43 high conviction holdings across a variety of sectors, which we believe offer attractive returns both in capital and income. The fund has delivered strong returns since launch and, as ever, Investors' interests remain aligned with our own given our significant investment in the fund.

As always, we thank our fellow shareholders for their continuing support which is fully appreciated.

Graham Campbell
Chief Executive Officer
Saracen Fund Managers Limited
19 August 2016

David Keir
Head of Research
Saracen Fund Managers Limited
19 August 2016

TB SARACEN GLOBAL INCOME AND GROWTH FUND, PORTFOLIO STATEMENTAs at 30 June 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Bermuda (1.5%; 31.12.15 - 1.5%)		
45,600 Invesco	871,209	1.5
	871,209	1.5
Finland (2.0%; 31.12.15 - 1.9%)		
37,500 Wartsila	1,139,069	2.0
	1,139,069	2.0
France (6.8%; 31.12.15 - 6.3%)		
74,500 Axa	1,102,375	1.9
51,500 Compagnie De St-Gobain	1,470,376	2.5
12,400 Lvmh Moet Hennessy	1,401,496	2.4
	3,974,247	6.8
Germany (9.1%; 31.12.15 - 6.5%)		
20,100 BMW	1,098,973	1.9
62,350 Covestro	2,069,808	3.6
57,500 Deutsche Post	1,203,008	2.1
21,000 Hugo Boss	888,318	1.5
	5,260,107	9.1
Japan (1.7%; 31.12.15 - 0.0%)		
940,000 Mizuho Financial	1,016,484	1.7
	1,016,484	1.7

TB SARACEN GLOBAL INCOME AND GROWTH FUND, PORTFOLIO STATEMENT (CONTINUED)

 As at 30 June 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Luxembourg		
(3.2%; 31.12.15 - 1.9%)		
114,000 SES	1,838,915	3.2
	1,838,915	3.2
Netherlands		
(1.9%; 31.12.15 - 1.9%)		
25,000 Koninklijke	1,080,167	1.9
	1,080,167	1.9
Singapore		
(3.0%; 31.12.15 - 2.3%)		
200,000 DBS Group	1,751,902	3.0
	1,751,902	3.0
Spain		
(1.5%; 31.12.15 - 1.5%)		
26,050 Amadeus	850,267	1.5
	850,267	1.5
Sweden		
(2.0%; 31.12.15 - 3.1%)		
100,000 SKF	1,183,977	2.0
	1,183,977	2.0
Switzerland		
(12.9%; 31.12.15 - 14.4%)		
57,500 ABB	844,197	1.5
29,500 Garmin	936,115	1.6
35,900 Novartis	2,209,461	3.8
10,675 Roche Holdings	2,099,258	3.6
142,410 UBS	1,374,561	2.4
	7,463,592	12.9

TB SARACEN GLOBAL INCOME AND GROWTH FUND, PORTFOLIO STATEMENT (CONTINUED)

As at 30 June 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
United Kingdom (21.6%; 31.12.15 - 26.3%)		
400,000 Ashmore	1,188,800	2.1
50,000 AstraZeneca	2,233,499	3.8
85,900 BHP Billiton	809,865	1.4
275,000 BP	1,204,913	2.1
76,000 Diageo	1,585,740	2.7
495,000 GKN	1,335,015	2.3
355,000 HSBC Holdings	1,653,945	2.8
52,600 Rio Tinto	1,206,644	2.1
63,500 Royal Dutch Shell	1,309,370	2.3
	12,527,791	21.6
United States (33.8%; 31.12.15 - 26.4%)		
20,400 Apple	1,458,897	2.5
16,500 Caterpillar	935,722	1.6
16,500 Chevron	1,293,916	2.2
52,950 Dow Chemicals	1,969,002	3.4
22,500 Emerson Electric	877,923	1.5
49,000 General Electric	1,153,898	2.0
59,500 H&R Block	1,023,720	1.8
37,000 Harley Davidson	1,253,823	2.2
17,750 IBM	2,015,345	3.5
13,550 Johnson & Johnson	1,229,523	2.1
25,000 JP Morgan Chase	1,162,111	2.0
33,000 Merck	1,422,159	2.5
47,750 Microsoft	1,827,785	3.1
75,000 Pfizer	1,975,439	3.4
	19,599,263	33.8
Portfolio of investments	58,556,990	101.0
Net other assets	(603,757)	-1.0
Total net assets	57,953,233	100.0

All holdings are equities quoted on official stock exchanges.

'Norway' sector disinvested since the beginning of the period (31 December 2015: 2.1%). 'South Africa' sector disinvested since the beginning of the period (31 December 2015: 3.4%).

TB SARACEN GLOBAL INCOME AND GROWTH FUND, SUMMARY OF FUND PERFORMANCE

B Accumulation Shares	1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 31 Dec 2015	1 Jan 2014 to 31 Dec 2014	1 Jan 2013 to 31 Dec 2013
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	143.35	143.32	139.01	110.98
Return before operating charges*	18.83	6.47	8.63	32.59
Operating charges	(6.59)	(6.44)	(4.32)	(4.56)
Return after operating charges*	12.24	0.03	4.31	28.03
Closing net asset value per share	155.59	143.35	143.32	139.01
Retained distributions on accumulation shares	0.00	4.41	4.35	4.15
* after direct transaction costs of:	0.18	0.55	0.44	0.59
Performance				
Return after charges	8.54%	0.02%	3.10%	25.26%
Other information				
Closing net asset value	£14,521,051	£12,895,490	£16,763,078	£13,180,593
Closing number of shares	9,332,672	8,995,607	11,696,285	9,481,828
Operating charges (p.a)	0.97%	1.06%	1.02%	1.03%
Direct transaction costs (p.a)	0.13%	0.37%	0.32%	0.67%
Prices				
Highest published share price	166.44	162.69	147.87	139.79
Lowest published share price	127.46	132.56	132.28	112.71

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

**TB SARACEN GLOBAL INCOME AND GROWTH FUND, SUMMARY OF FUND PERFORMANCE
(CONTINUED)**

B Distribution Shares	1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 31 Dec 2015	1 Jan 2014 to 31 Dec 2014	1 Jan 2013 to 31 Dec 2013
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	125.04	128.89	128.92	107.27
Return before operating charges*	12.93	2.73	7.99	31.69
Operating charges	(2.23)	(2.64)	(4.00)	(6.10)
Return after operating charges*	10.70	0.09	3.99	25.59
Distributions on income shares	(2.90)	(3.94)	(4.02)	(3.94)
Closing net asset value per share	132.84	125.04	128.89	128.92
* after direct transaction costs of:	0.06	0.23	0.41	1.19
Performance				
Return after charges	8.56%	0.07%	3.09%	23.86%
Other information				
Closing net asset value	£36,840,835	£33,574,386	£21,787,659	£11,198,405
Closing number of shares	27,733,924	26,850,638	16,904,407	8,686,507
Operating charges (p.a.)	0.97%	1.06%	1.02%	1.03%
Direct transaction costs (p.a)	0.05%	0.17%	0.32%	0.95%
Prices				
Highest published share price	142.04	146.31	135.72	130.97
Lowest published share price	111.18	116.74	119.77	107.90

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

**TB SARACEN GLOBAL INCOME AND GROWTH FUND, SUMMARY OF FUND PERFORMANCE
(CONTINUED)**

A Accumulation Shares	1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 31 Dec 2015	1 Jan 2014 to 31 Dec 2014	22 Feb 2013* to 31 Dec 2013
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	115.25	116.11	113.46	100.00
Return before operating charges*	36.94	22.95	17.64	22.49
Operating charges	(27.54)	(23.81)	(14.99)	(9.03)
Return after operating charges*	9.40	(0.86)	2.65	13.46
Closing net asset value per share	124.65	115.25	116.11	113.46
Retained distributions on accumulation shares	0.00	3.12	3.12	2.82
* after direct transaction costs of:	0.75	2.04	1.54	1.75
Performance				
Return after charges	8.16%	(0.74)%	2.34%	13.46%
Other information				
Closing net asset value	£2,658,927	£2,640,192	£3,187,980	£3,675,109
Closing number of shares	2,133,185	2,290,754	2,745,761	3,239,073
Operating charges (p.a)	1.72%	1.81%	1.77%	1.78%
Direct transaction costs (p.a)	0.66%	1.71%	1.54%	1.61%
Prices				
Highest published share price	133.23	131.52	119.85	114.25
Lowest published share price	102.39	106.78	107.33	100.44

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

* A Accumulation shares launched on 22 February 2013.

**TB SARACEN GLOBAL INCOME AND GROWTH FUND, SUMMARY OF FUND PERFORMANCE
(CONTINUED)**

A Distribution Shares	1 Jan 2016 to 30 Jun 2016	1 Jan 2015 to 31 Dec 2015	1 Jan 2014 to 31 Dec 2014	22 Feb 2013* to 31 Dec 2013
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	106.39	110.07	110.51	100.00
Return before operating charges*	25.51	13.56	12.31	18.88
Operating charges	(16.70)	(14.30)	(9.73)	(5.56)
Return after operating charges*	8.81	(0.74)	2.58	13.32
Distributions on income shares	(2.27)	(2.94)	(3.02)	(2.81)
Closing net asset value per share	112.93	106.39	110.07	110.51
* after direct transaction costs of:	0.45	1.22	1.00	0.13
Performance				
Return after charges	8.28%	(0.67)%	2.33%	13.32%
Other information				
Closing net asset value	£3,932,420	£4,069,123	£4,952,701	£5,563,493
Closing number of shares	3,482,194	3,824,544	4,499,419	5,034,193
Operating charges (p.a.)	1.72%	1.81%	1.77%	1.78%
Direct transaction costs (p.a)	0.43%	1.09%	1.00%	1.00%
Prices				
Highest published share price	120.51	124.68	115.96	112.21
Lowest published share price	94.52	99.33	102.25	100.44

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

* A Distribution shares launched on 22 February 2013.

TB SARACEN GLOBAL INCOME AND GROWTH FUND, STATEMENT OF TOTAL RETURN
For the six-month period ended 30 June 2016

	£	30.06.16 £	30.06.15 £
Income			
Net capital gains		3,644,170	233,940
Revenue	1,536,986		1,280,230
Expenses	(303,492)		(295,062)
Interest payable and similar charges	(70)		(49)
Net revenue before taxation	1,233,424		985,119
Taxation	(173,762)		(167,563)
Net revenue after taxation		1,059,662	817,556
Total return before distributions		4,703,832	1,051,496
Distributions		(868,534)	(660,128)
Change in net assets attributable to shareholders from investment activities		3,835,298	391,368

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
For the six-month period ended 30 June 2016

	£	30.06.16 £	30.06.15 £
Opening net assets attributable to shareholders		53,123,254	46,691,418
<i>Movements due to sales and repurchases of shares:</i>			
Amounts receivable on issue of shares	4,728,022		12,878,247
Amounts payable on cancellation of shares	(3,733,341)		(9,955,686)
		994,681	2,922,561
Change in net assets attributable to shareholders from investment activities		3,835,298	391,368
Closing net assets attributable to shareholders		57,953,233	50,005,347

Note: Section 3.30 of the IA SORP requires comparative figures for the end of the half yearly period of the prior year for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period as these are not consecutive periods.

TB SARACEN GLOBAL INCOME AND GROWTH FUND, BALANCE SHEETAs at 30 June 2016

	30.06.16	31.12.15
	£	£
Assets:		
Fixed Assets:		
Investments	58,556,990	52,837,473
Current Assets:		
Debtors	1,342,528	208,327
Cash and bank balances	932,953	547,693
Total assets	<u>60,832,471</u>	<u>53,593,493</u>
Liabilities:		
Creditors:		
Distribution payable on income shares	883,253	355,978
Other creditors	1,995,985	114,261
Total liabilities	<u>2,879,238</u>	<u>470,239</u>
Net assets attributable to shareholders	<u>57,953,233</u>	<u>53,123,254</u>

1. Accounting policies

(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 FRS 102 as modified by the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

As described in the Statement of the Authorised Corporate Director's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

(b) Recognition of revenue

Dividends on holdings, net of any irrecoverable tax, are recognised when the underlying security is quoted ex-dividend. Bank interest is accounted for on an accruals basis.

(c) Treatment of stock dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis.

(d) Treatment of expenses

All expenses are split 50% to capital and 50% to revenue, except those relating to the purchase and sale of investments which are charged in full to the capital account.

(e) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

(f) Taxation/deferred taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 20%.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

(g) Distribution policy

Revenue produced by the Fund's investments accrues six-monthly. At the end of each period, the revenue, plus an adjustment for expenses allocated to capital and less the expenses allocated to the revenue account, is accumulated/distributed at the discretion of the Investment Manager as per the prospectus.

1. Accounting policies (continued)

(h) Exchange rates

Assets and liabilities in overseas currencies at the period end are translated into Sterling at the latest available rates of exchange on the balance sheet date.

(i) Basis of valuation of investments

The investments are valued at closing prices on the balance sheet date. If closing prices are not available, the latest available prices are used.

If separate offer and bid prices are quoted for shares or units, then the bid price is used.

If no price or recent available price exists, the investment is valued at a price which, in the opinion of the ACD, reflects the fair value of the investment.

TB SARACEN GLOBAL INCOME AND GROWTH FUND, DISTRIBUTION TABLEFor the six-month period ended 30 June 2016

Interim Distribution (30 June 2016)

Group 1 - Shares purchased on or prior to 31 December 2015

Group 2 - Shares purchased after 31 December 2015

Shares	Revenue	Equalisation¹	Paid/Acc -umulated 30.09.16	Paid/Acc -umulated 30.09.15
	(pence)	(pence)	(pence)	(pence)
B Distribution				
Group 1	2.9003	-	2.9003	2.7300
Group 2	1.4518	1.4485	2.9003	2.7300
A Distribution				
Group 1	2.2654	-	2.2654	2.1100
Group 2	1.2201	1.0453	2.2654	2.1100

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

TB SARACEN UK INCOME FUND, AUTHORISED STATUS

The Fund is a sub-fund of TB Saracen Investment Funds ICVC with investment powers equivalent to those of a UCITS Scheme as defined in the Glossary to the Financial Conduct Authority ('FCA') Handbook.

INVESTMENT OBJECTIVE AND POLICY*

The investment objective of TB Saracen UK Income Fund is to provide income exceeding 110% of the dividend income of MSCI UK All Cap Index and an overall return (income plus capital growth) which is superior to that index.

At least 80% of the Fund will be invested in the shares of UK companies (those companies listed on a UK stock exchange). The Fund may also invest in the shares of companies in overseas markets, bonds, other funds (up to a maximum of 10%) and cash and cash-like investments.

The Investment Manager will employ a value based approach, using both quantitative and qualitative techniques to achieve the above objective. In addition to the objective of maximising returns, the Investment Manager will also seek to protect the capital of investors. Whilst risk will be carefully controlled through diversification and rigorous analysis investor's capital will be at risk and there is no guarantee that the investment objective will be achieved.

** Please note that the investment objective of the Fund was changed on 1 July 2016. The previous investment objective was 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.*

RISK PROFILE

As the Fund will invest primarily in UK listed shares, the Fund will have greater exposure to UK market, political and economic risks than a fund which diversifies across a number of countries.

The value of the investments may go down as well as up in response to general market conditions and the performance of the assets held. Investors may not get back the money which they invested.

There is no guarantee that the Fund will meet its stated objectives.

The movement in exchange rates may lead to further changes in the value of investments and the income from them.

There is a risk that any company providing services such as safe keeping of assets or acting as counterparty to derivatives may become insolvent, which may cause losses to the Fund.

CHANGES TO THE FUND

On 1 July 2016 T. Bailey Fund Services Limited replaced Saracen Fund Managers Limited as ACD of the Fund.

On the same day the following changes also came into effect. These changes were all notified to existing shareholders in advance:

- The income distribution dates were changed from 31 March and 30 September to 28/29 February and 31 August.
- The accumulation share class will now also pay six monthly distributions rather than annually.
- The valuation point was changed from 11:45PM to 12PM.
- The benchmark of the Fund was changed from FTSE All Share Index to MSCI UK All Cap Index.
- The Administrator and Registrar was changed from SMT Fund Services (Ireland) to T. Bailey Fund Services Limited.
- The Depositary was changed from BNY Mellon Trust & Depositary (UK) Limited to National Westminster Bank Plc.
- The Custodian was changed from The Bank of New York Mellon to The Northern Trust Company.
- There was a change to the fee structure including; ACD, Depositary, Custodian, Registrar and Administration fees.

For more details of any of the above changes please contact clientservices@tbailey.co.uk

SYNTHETIC RISK AND REWARD INDICATOR

The Synthetic Risk and Reward Indicator demonstrates in a standard format where the Fund ranks in terms of its potential risk and reward. It is based on historical performance data, may change over time and may not be a reliable indication of the future risk profile of the Fund. The indicator uses a scale of 1 to 7. The higher the rank the greater the potential reward but the greater the risk of losing money. The lowest category does not mean a fund is a risk free investment.

The Fund is in risk category 5 because it invests in shares, an asset class that has seen large rises and falls in recent years.

ONGOING CHARGES FIGURE

The Ongoing Charges Figure ('OCF') provides investors with a clearer picture of the total annual costs in running a Collective Investment Scheme. The OCF consists principally of the annual management charge, but also includes the costs for other services paid in respect of depositary, custody, FCA, audit fees and transaction charges. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performances table on pages 45 and 46.

TB SARACEN UK INCOME FUND, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 30 June 2016 (%)		
	6 months	1 year	From launch ¹
B Accumulation Shares	(11.73)	(14.82)	(13.12)
MSCI UK All Cap Index	4.92	2.24	0.15
FTSE All Share Index	4.27	2.21	0.14

¹ From 1 April 2015.

Source: Financial Express. Total return, bid to bid. Sterling terms.

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

Economic & Market Review

The UK stock market had a positive first half, with the FTSE All Share index rising 4.3%. However, as was the case in 2015, there were fairly large variances depending on market capitalisation. The FTSE 100 led the way with a total return of 6.6%. The FTSE 250 and FTSE Small Cap struggled however, returning -5.2% and -2.0% respectively.

It was a period of extreme volatility with markets falling sharply in the early months of 2016. At the low point in February, UK equities had fallen 10% since the start of the year. The concerns were a continuation of those from late 2015: further declines in metals and oil prices and worries about global growth along with significant falls in the global banks sector, leading to fears of another financial crisis. As is often the way, these fears became self-fulfilling at times. It was only later in February that we saw signs of trend reversion – commodity prices rose sharply from depressed levels as did emerging markets.

However, it was the decision by the UK to leave the EU on 23 June which really dominated the investment landscape during the period. Currency movements and the prospects for UK and European growth have been the dominant factors since the vote on the 23rd and look set to remain so for the foreseeable future. Since then the pound has fallen around 10% against the US dollar and the Euro. These are seismic shifts for currency markets, reflecting the historic and unprecedented nature of the Brexit decision. Medium-dated government bonds continued to benefit from a flight to safety with UK 10-year gilts now yielding less than 1%, an all-time low. German and Japanese yields are negative, highlighting the uncharted territory which investors must now navigate. The Mid 250 index bore the brunt of the Brexit decision - in the five trading days after the EU vote it fell 9.3%.

Against this backdrop there were significant sector divergences with oil & gas, mining and pharmaceuticals all seeing sharp rises. At the other extreme general retailers, house builders and financial sectors all fell. There was a clear distinction between large, overseas earners and more cyclical, domestic sectors.

The Fund had an extremely disappointing six months with the Accumulation shares falling -11.7%. A large proportion of this fall took place in the final week of the period, in the immediate aftermath of the decision by UK voters to leave the EU. The Fund was very poorly positioned for this outcome and saw major falls in its value post the decision, with our focussed portfolio enduring some significant individual share price falls. Our bias towards mid and small-cap companies, financial and consumer sectors and a correspondingly low allocation to defensive sectors gave rise to a perfect storm for the portfolio during the final days of June. Not only did many of our investments fall over the period but we had very limited exposure to the best performing large companies which rallied significantly post the Brexit vote, as sterling weakness boosted their international earnings.

TB SARACEN UK INCOME FUND, INVESTMENT REVIEW (CONTINUED)

Activity Report

During the first half of 2016, three stocks were added to the portfolio and six sold. New stocks purchased for TB Saracen UK Income were **Victrex** and **Next** whilst we took on a new position in **Royal Dutch Shell** further to its takeover of our holding in **BG Group**. The other stocks which exited the fund were **XP Power**, **Safestore**, **DS Smith**, **Entu** and **DX**. We purchased the retailer **Next** after fairly significant falls in the share price. Although the short term trading outlook is difficult, the company is well-managed and has a long history of creating value for shareholders. It pays a healthy ordinary dividend supplemented by special dividends and share buybacks. Our other new holding is **Victrex**, which is a speciality chemicals company. Again the shares had lagged somewhat prior to purchase but the business enjoys high returns and has an exciting product pipeline which augers well for the long term. It also pays a healthy dividend, benefitting from a very strong balance sheet position. It is a major beneficiary of sterling weakness, being a significant UK exporter. The new holding in **Royal Dutch Shell** following the takeover of **BG Group** proved to be timely and the shares have performed strongly since inclusion, albeit from quite depressed levels. The other sales in the Fund came in two broad categories. In the cases of **XP Power**, **Safestore** and **DS Smith** all three are strong businesses but, in each case, we felt that our long term returns targets had been met, the share prices had re-rated and the dividend yields fallen to lower levels. Our sales of two smaller companies, **DX Group** and **Entu** were less happy tales, with both companies having materially disappointed expectations since their inclusion in the Fund. It was with a heavy heart that we realised painful losses in each case. Entu then went on to have a further profit warning after the Fund had sold the position.

The asset allocations at the period end are shown below:

Sector	Asset allocation as at 30 June 2016 (%)	Asset allocation as at 31 December 2015 (%)
Banks	6.5	6.8
Chemicals	1.8	-
Construction Materials	9.3	9.7
Electronic & Electronic Equipment	-	1.3
Financial Services	7.5	8.0
General Financial	3.1	2.2
General Industrials	2.9	5.1
General Retailers	4.0	2.2
House, Leisure & Personal Goods	4.1	3.2
Industrial Transport	-	0.5
Life Insurance	11.2	11.0
Media	5.9	6.7
Mining	5.8	7.8
Oil & Gas Producers	3.9	3.7
Oil Equipment Services	3.8	1.8
Pharmaceuticals & Biotechnology	6.3	3.9
Real Estate	6.4	9.7
Software & Computer Services	4.2	5.6
Support Services	0.8	2.3
Technology Hardware	3.0	2.4
Telecoms	2.1	1.7
Tobacco	3.2	3.0
Travel & Leisure	3.4	2.9
Cash and Other	0.8	(1.5)
Total	100.0	100.0

The full list of holdings at the period end is shown in the Portfolio Statement on pages 41 to 44.

Outlook

It is very disappointing to report such poor results for the Saracen UK Income Fund, much of which arose in the very short period post the referendum. We did not expect the United Kingdom to vote to leave the EU and the implications of this decision are, at this point, largely unknown. The initial market reaction has been to seek safety in large overseas earners whilst shunning domestically focused stocks. This has been damaging for the portfolio.

We must acknowledge that things have now changed and prospects for UK investors are more uncertain than they have been since the financial crisis of 2008. Whilst the swift appointment of a new Prime Minister may bring some short term stability we are a long way away from implementing Article 50 and renegotiating our relationship with Europe. This all adds up to a considerable period of risk, not just for the UK, but for large swathes of Europe too.

We believe that there is significant potential value to be unlocked from the portfolio and it is important that we re-assess these new risks soberly whilst avoiding potentially damaging knee-jerk reactions. We are wholly committed to improving shareholder returns from current low levels and believe that our flexible 'multi-cap' approach, combined with a focus on growing income, should serve us well over the long term.

Scott McKenzie
Investment Director
Saracen Fund Managers Limited
19 August 2016

TB SARACEN UK INCOME FUND, PORTFOLIO STATEMENTAs at 30 June 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Banks (6.5%; 31.12.15 - 6.8%)		
39,551 Barclays	54,818	2.7
144,017 Lloyds Banking Group	77,856	3.8
	132,674	6.5
Chemicals (1.8%; 31.12.15 - 0.0%)		
2,400 Victrex	36,264	1.8
	36,264	1.8
Construction Materials (9.3%; 31.12.15 - 9.7%)		
37,085 Eurocell	57,853	2.8
5,550 Galliford Try	50,644	2.5
32,781 Tyman	81,953	4.0
	190,450	9.3
Financial Services (7.5%; 31.12.15 - 8.0%)		
15,000 Ashmore	44,580	2.2
9,203 Intermediate Capital	45,122	2.2
17,382 Jupiter Fund Management	63,549	3.1
	153,251	7.5
General Financial (3.1%; 31.12.15 - 2.2%)		
5,500 Close Brothers	62,315	3.1
	62,315	3.1
General Industrials (2.9%; 31.12.15 - 5.1%)		
20,900 Vesuvius	59,962	2.9
	59,962	2.9

TB SARACEN UK INCOME FUND, PORTFOLIO STATEMENT (CONTINUED)As at 30 June 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
General Retailers (4.0%; 31.12.15 - 2.2%)		
12,828 Halfords	41,242	2.0
815 Next	40,180	2.0
	81,422	4.0
House, Leisure & Personal Goods (4.1%; 31.12.15 - 3.2%)		
3,339 Berkeley	84,242	4.1
	84,242	4.1
Life Insurance (11.2%; 31.12.15 - 11.0%)		
18,672 Aviva	73,549	3.6
8,976 Phoenix Group	71,943	3.5
28,100 Standard Life	82,502	4.1
	227,994	11.2
Media (5.9%; 31.12.15 - 6.7%)		
21,596 STV	65,652	3.2
8,622 United Business Media	55,267	2.7
	120,919	5.9
Mining (5.8%; 31.12.15 - 7.8%)		
6,400 BHP Billiton	60,339	3.0
2,520 Rio Tinto	57,809	2.8
	118,148	5.8

TB SARACEN UK INCOME FUND, PORTFOLIO STATEMENT (CONTINUED)As at 30 June 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Oil & Gas Producers (3.9%; 31.12.15 - 3.7%)		
3,816 Royal Dutch Shell	78,686	3.9
	78,686	3.9
Oil Equipment Services (3.8%; 31.12.15 - 1.8%)		
15,733 Amec Foster Wheeler	77,092	3.8
	77,092	3.8
Pharmaceuticals & Biotechnology (6.3%; 31.12.15 - 3.9%)		
2,870 AstraZeneca	128,202	6.3
	128,202	6.3
Real Estate (6.4%; 31.12.15 - 9.7%)		
15,366 New River Retail	46,098	2.3
26,300 Palace Capital	83,765	4.1
	129,863	6.4
Software & Computer Services (4.2%; 31.12.15 - 5.6%)		
10,000 FDM Group	45,000	2.2
30,500 Kainos Group	40,565	2.0
	85,565	4.2
Support Services (0.8%; 31.12.15 - 2.3%)		
20,196 St Ives	16,611	0.8
	16,611	0.8

TB SARACEN UK INCOME FUND, PORTFOLIO STATEMENT (CONTINUED)As at 30 June 2016

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Technology Hardware (3.0%; 31.12.15 - 2.4%)		
18,500 Laird	60,791	3.0
	60,791	3.0
Telecoms (2.1%; 31.12.15 - 1.7%)		
19,820 TalkTalk	43,445	2.1
	43,445	2.1
Tobacco (3.2%; 31.12.15 - 3.0%)		
1,627 Imperial Brands	65,950	3.2
	65,950	3.2
Travel & Leisure (3.4%; 31.12.15 - 2.9%)		
8,950 Greene King	69,810	3.4
	69,810	3.4
Portfolio of investments	2,023,656	99.2
Net other assets	16,649	0.8
Total net assets	2,040,305	100.0

All holdings are equities quoted on official stock exchanges.

'Electronic & Electronic Equipment' sector disinvested since the beginning of the period (31 December 2015: 1.3%).

'Industrial Transport' sector disinvested since the beginning of the period (31 December 2015: 0.5%).

TB SARACEN UK INCOME FUND, SUMMARY OF FUND PERFORMANCE

B Accumulation Shares	1 January 2016 to 30 June 2016	1 April 2015 to 31 December 2015
	(Pence per Share)	(Pence per Share)
Change in net assets per share		
Opening net asset value per share	98.43	100.00
Return before operating charges*	(6.32)	3.26
Operating charges	(5.23)	(4.83)
Return after operating charges*	(11.55)	(1.57)
Closing net asset value per share	86.88	98.43
Retained distributions on accumulation shares	0.00	3.13
* after direct transaction costs of:	0.78	1.94
Performance		
Return after charges	(11.73)%	(1.57)%
Other information		
Closing net asset value	£1,210,660	£988,839
Closing number of shares	1,393,440	1,004,612
Operating charges (p.a)	2.01%	2.29%
Direct transaction costs (p.a)	0.83%	1.90%
Prices		
Highest published share price	98.02	105.87
Lowest published share price	81.36	93.12

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

TB SARACEN UK INCOME FUND, SUMMARY OF FUND PERFORMANCE (CONTINUED)

B Distribution Shares	1 January 2016 to 30 June 2016	1 April 2015 to 31 December 2015
	(Pence per Share)	(Pence per Share)
Change in net assets per share		
Opening net asset value per share	95.34	100.00
Return before operating charges*	(4.72)	2.97
Operating charges	(6.46)	(4.51)
Return after operating charges*	(11.18)	(1.54)
Distributions on income shares	(2.22)	(3.12)
Closing net asset value per share	81.94	95.34
* after direct transaction costs of:	0.96	1.81
Performance		
Return after charges	(11.73)%	(1.54)%
Other information		
Closing net asset value	£829,645	£990,362
Closing number of shares	1,012,506	1,038,721
Operating charges (p.a.)	2.01%	2.29%
Direct transaction costs (p.a)	1.06%	1.79%
Prices		
Highest published share price	94.95	105.07
Lowest published share price	77.46	92.42

Past performance is not a reliable indicator of future results. Investors are reminded that the price of shares and the revenue derived from them is not guaranteed and may go down as well as up.

TB SARACEN UK INCOME FUND, STATEMENT OF TOTAL RETURNFor the six-month period ended 30 June 2016

		01.01.16 to 30.06.16	01.04.15 to 30.06.15
	£	£	£
Income			
Net capital (losses)/gains		(260,326)	20,766
Revenue	53,290		10,336
Expenses	(32,852)		(12,772)
Interest payable and similar charges	(267)		-
Net revenue/(expense) before taxation	20,171		(2,436)
Taxation	-		(107)
Net revenue/(expense) after taxation		20,171	(2,543)
Total (loss)/return before distributions		(240,155)	18,223
Distributions		(21,102)	(3,848)
Change in net assets attributable to shareholders from investment activities		(261,257)	14,375

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERSFor the six-month period ended 30 June 2016

		01.01.16 to 30.06.16	01.04.15 to 30.06.15
	£	£	£
Opening net assets attributable to shareholders		1,970,582	-
<i>Movements due to sales and repurchases of shares:</i>			
Amounts receivable on issue of shares	409,038		1,758,790
Amounts payable on cancellation of shares	(78,058)		(2,006)
		330,980	1,756,784
Change in net assets attributable to shareholders from investment activities		(261,257)	14,375
Closing net assets attributable to shareholders		2,040,305	1,771,159

Note: Section 3.30 of the IA SORP requires comparative figures for the end of the half yearly period of the prior year for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period as these are not consecutive periods.

TB SARACEN UK INCOME FUND, BALANCE SHEETAs at 30 June 2016

	30.06.16	31.12.15
	£	£
Assets:		
Fixed Assets:		
Investments	2,023,656	2,000,019
Current Assets:		
Debtors	9,957	5,904
Cash and bank balances	40,446	1,374
Total assets	2,074,059	2,007,297
Liabilities:		
Creditors:		
Distribution payable on income shares	22,467	24,382
Other creditors	11,287	12,333
Total liabilities	33,754	36,715
Net assets attributable to shareholders	2,040,305	1,970,582

TB SARACEN UK INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2016

1. Accounting policies**(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 FRS 102 as modified by the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

As described in the Statement of the Authorised Corporate Director's Responsibilities, the ACD continues to adopt the going concern basis in the preparation of the financial statements of the Fund.

(b) Recognition of revenue

Dividends on holdings, net of any irrecoverable tax, are recognised when the underlying security is quoted ex-dividend. Bank interest is accounted for on an accruals basis.

(c) Treatment of stock dividends

Stock dividends are credited to the capital account when the stock is quoted ex-dividend. The cash equivalent is then transferred to the revenue account and forms part of the distributable revenue.

The allocation of special dividends is considered on a case-by-case basis.

(d) Treatment of expenses

All expenses, net of any associated tax effect, are charged to the capital account with the exception of bank interest and transaction charges relating to the payment of revenue, which are charged to the revenue account.

(e) Allocation of revenue and expenses to multiple share classes

Any assets or liabilities not attributable to a particular share class are allocated by the ACD in a manner which is considered fair to shareholders in general, usually pro-rata based on the net asset values of the relevant share classes.

(f) Taxation/deferred taxation

Corporation tax is provided for on taxable revenue, less deductible expenses, at a rate of 20%.

Deferred tax is provided for in respect of all items that have been included in these financial statements that will be included in future periods for taxation purposes, other than those timing differences regarded as permanent. Any liability to deferred tax is provided for at the rate of tax expected to apply.

(g) Distribution policy

Revenue produced by the Fund's investments accrues six-monthly. At the end of each period, the revenue plus an adjustment for expenses allocated to capital, is accumulated/distributed at the discretion of the Investment Manager as per the prospectus.

TB SARACEN UK INCOME FUND, NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 30 June 2016

1. Accounting policies (continued)

(h) Exchange rates

Assets and liabilities in overseas currencies at the period end are translated into Sterling at the latest available rates of exchange on the balance sheet date.

(i) Basis of valuation of investments

The investments are valued at closing prices on the balance sheet date. If closing prices are not available, the latest available prices are used.

If separate offer and bid prices are quoted for shares or units, then the bid price is used.

If no price or recent available price exists, the investment is valued at a price which, in the opinion of the ACD, reflects the fair value of the investment.

TB SARACEN UK INCOME FUND, DISTRIBUTION TABLEFor the six-month period ended 30 June 2016

Interim Distribution (30 June 2016)

Group 1 - Shares purchased on or prior to 31 December 2015

Group 2 - Shares purchased after 31 December 2015

Shares	Revenue	Equalisation¹	Paid/Acc -umulated 30.09.16	Paid/Acc -umulated 30.09.15
	(pence)	(pence)	(pence)	(pence)
<hr/> B Distribution				
Group 1	2.2190	-	2.2190	0.7700
Group 2	0.8387	1.3803	2.2190	0.7700

¹ Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

DIRECTORY

The Company

TB Saracen Investment Funds ICVC
19 Rutland Square
Edinburgh EH1 2BB

Authorised Corporate Director (up to 1 July 2016)

Saracen Fund Managers Limited
19 Rutland Square
Edinburgh EH1 2BB

Authorised and regulated by the Financial Conduct Authority.

Authorised Corporate Director (from 1 July 2016)

T. Bailey Fund Services Limited ('TBFS')
64 St. James's Street
Nottingham NG1 6FJ

Tel: 0115 988 8200
Fax: 0115 988 8222

Website: www.tbaileyfs.co.uk/funds/tb-saracen-investment-funds.

Authorised and regulated by the Financial Conduct Authority.

Directors of the ACD (TBFS)

Mrs H C Stevens
Mr R J Bonney
Mr R J Taylor

Investment Manager

Saracen Fund Managers Limited
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Website: www.saracenfundmanagers.com

Authorised and regulated by the Financial Conduct Authority.

Depositary (from 1 July 2016)

National Westminster Bank Plc
135 Bishopsgate
London EC2M 3UR

Authorised and regulated by the Financial Conduct Authority and by the Prudential Regulation Authority.

Registrar and Share Dealing (from 1 July 2016)

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64 St. James's Street
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Fax: 0115 988 8222
Dealing Line: 0115 988 8274

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Authorised and regulated by the Financial Conduct Authority.

Auditors (from 1 July 2016)

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Birmingham B1 2HZ

Registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

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