

31 January 2012



Monthly Comment

- ▶ Performance - Markets rallied strongly through January. The best performing sectors were the ones where market expectations had fallen the most, such as in 'cyclicals' and financials. While these sectors bounced sharply, many of the sectors where we are exposed, such as consumer staples, oil & gas and healthcare actually fell. The net result was a decline of 0.9% compared to +2.7% for the All Share.
- ▶ Economic news flow from China and the US remains broadly positive, offsetting at least some of the on-going disappointment regarding Euro refinancing of the most indebted countries.
- ▶ FX - Sterling was relatively strong over January, rising over 2.5% against the \$ and HK\$ and over 1% against the €.
- ▶ Positive: while the fund is likely to retain a low exposure to cyclical investments due to our concerns regarding risk from the downside impact and often high leverage, the investments in businesses which met our criteria, such as Atlas Copco, BASF and DSM performed strongly over the month. ProseibenSat1 is also worthy of comment from a 29% rally from an oversold position.
- ▶ Negative: In addition to the underperformance of the branded consumer companies, where we continue to find value, Tesco was a notable faller over the month. A more detailed comment is in the attached email.
- ▶ While we are encouraged by the rally in equities it is clear that many of the economic issues have not evaporated and growth will remain sluggish. However, equity valuations remain attractive and we feel that there is cash on the side-lines which will be deployed at some stage.
- ▶ A rally typically starts with a bounce in the most stocks that have fallen the most. The secondary and much longer phase will be driven by earnings and valuations. We remain comfortable with the shape and quality in the portfolio.

Activity

- ▶ There was no notable portfolio activity over the month.

Investment Manager & ACD

Saracen Fund Managers Ltd
19 Rutland Square
Edinburgh
EH1 2BB

Tel : 0131 202 9100
Fax : 0131 221 1895

Fund Administrator

Daiwa Europe Fund Managers Ireland Ltd
Block 5, Harcourt Centre
Harcourt Road
Dublin 2

Tel No : 00 3531 603 9921
Fax No : 00 3531 647 5830

Custodian

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

Accounting Periods

Interim : 30 June
Final : 31 December

Distribution Dates :

Interim : 30 Sept
Final : 31 March

Minimum Initial Investment

Accumulation Shares : £1,000
Distribution Shares : £1,000

Sedols

Accumulation Shares : B5B35X0
Distribution Shares : B3XPLG5

Bloomberg Ticker

Accumulation Shares : SAR BACCLN
Distribution Shares : SAR GIGALN

Initial Charge

Policy is not to charge an initial fee.

Annual Fee

Accumulation Shares : 0.75%
Distribution Shares : 0.75%

Dilution Levy

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

Regulatory Status of Saracen Growth Fund

FSA Recognised : Yes
Scheme Type : OEIC

Pricing

Single Pricing, forward basis

Issue Date

7 June 2011

31 January 2012

The investment objective of SGIG is to provide a long-term total return, through investing in a portfolio of global equity securities.

Fund Information

Fund Manager	Graham Campbell, Daniel Leaf
Fund Size	£4.3m
Fund Price	
Accumulation	0.9695p
Distribution	0.9605p

Fund Performance*

	Total Return (%)			Distribution Shares		
	SGIG	Cash	ASI	SGIG	Cash	ASI
January	-0.9	0.1	2.7	-1.8	0.1	2.7

* Source : Saracen Fund Managers Ltd

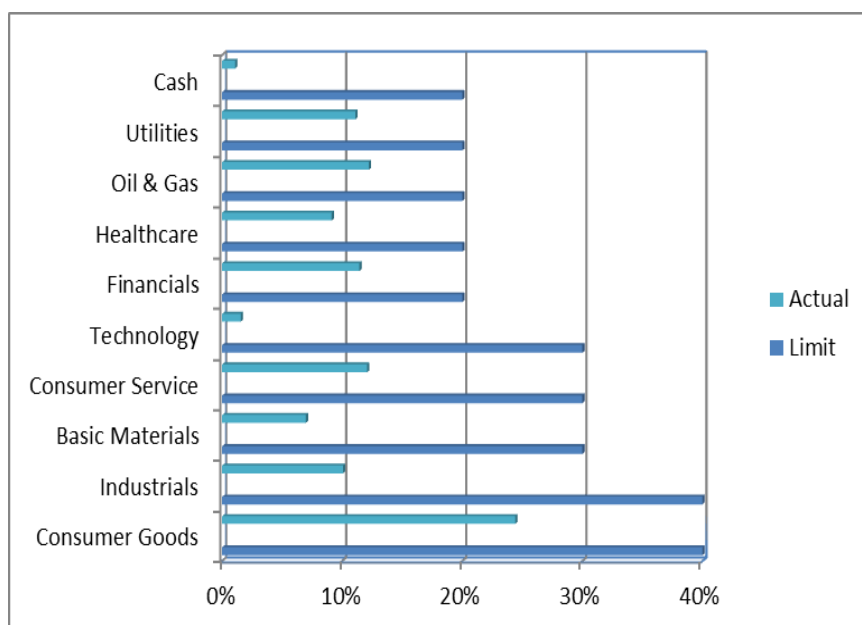
Fund Breakdown

Top 10 Holdings (% NAV)

Anheuser Busch Inbev	3.6%
Royal Dutch Shell B	3.5%
Conocophillips	3.3%
Novartis	2.9%
Heinz	2.8%
Siemens	2.8%
Repsol	2.7%
AKZO Nobel	2.7%
BASF	2.6%
Deutsche Post	2.3%

Top 10 Sector (% NAV)

Consumer Goods	24.4%
Oil & Gas	12.2%
Consumer Services	12.1%
Financials	11.4%
Telecommunications	11.1%
Industrials	10.1%
Healthcare	9.1%
Basic Materials	7.0%
Technology	1.6%
Cash	1.0%



Risk Warning

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