



TB SARACEN INVESTMENT FUNDS ICVC

INTERIM REPORT &
FINANCIAL STATEMENTS (UNAUDITED)

For the six-month period ended 30 June 2020

CONTENTS

The Authorised Corporate Director and Investment Manager, Your Investments, Other Information.....	1
Authorised Status, Structure of the Company, Cross Holdings Between Sub-Funds.....	2
Statement of the Authorised Corporate Directors' Responsibilities, Directors' Statement.....	3
TB Saracen UK Alpha Fund	
Authorised Status, Investment Objective and Policy, Risk Profile.....	4
Synthetic Risk and Reward Indicator, Ongoing Charges Figure.....	5
Investment Review.....	6
Portfolio Statement.....	10
Summary of Fund Performance.....	14
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders	16
Balance Sheet.....	17
Notes to the Financial Statements.....	18
TB Saracen Global Income and Growth Fund	
Authorised Status, Investment Objective and Policy, Risk Profile.....	19
Synthetic Risk and Reward Indicator, Ongoing Charges Figure.....	20
Investment Review.....	21
Portfolio Statement.....	27
Summary of Fund Performance.....	30
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders	34
Balance Sheet.....	35
Notes to the Financial Statements.....	36
Distribution Table.....	37
TB Saracen UK Income Fund	
Authorised Status, Investment Objective and Policy, Risk Profile.....	38
Synthetic Risk and Reward Indicator, Ongoing Charges Figure.....	39
Investment Review.....	40
Portfolio Statement.....	44
Summary of Fund Performance.....	48
Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders	50
Balance Sheet.....	51
Notes to the Financial Statements.....	52
Distribution Table.....	53
Directory.....	54

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 38, 'Investment Review' as provided by the Investment Manager, on pages 6 to 9, 21 to 26 and 40 to 43 and 'Directory' on page 54.

THE AUTHORISED CORPORATE DIRECTOR AND INVESTMENT MANAGER

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.

T. Bailey Fund Services Limited and Saracen Fund Managers 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 Adviser. 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.

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 a registered number of SI000005. The effective date of the authorisation order made by the Financial Services Authority (which has since been succeeded by the Financial Conduct Authority 'FCA') in respect of the Company was 19 January 1999. The Company's duration is unlimited.

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

STRUCTURE OF THE COMPANY

The Company is a UCITS Scheme.

The Company is structured as an umbrella so that the Scheme Property of the Company may be divided among one or more sub-funds. The assets of each sub-fund will generally be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. New sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. If a new sub-fund is introduced, a new Prospectus will be prepared to set out the required information in relation to that sub-fund.

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 a 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 Pound Sterling.

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 DIRECTORS' RESPONSIBILITIES

The Authorised Corporate Director (the "ACD") of TB Saracen Investment Funds ICVC (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"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK 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 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them 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 safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' STATEMENT

In accordance with COLL 4.5.8BR, the Report and the Financial Statements were approved by the board of Directors of the ACD of the Company and authorised for issue on 24 August 2020. 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 its sub-funds consist predominantly of readily realisable securities and accordingly the Company has adequate resources to continue in operational existence for at least the next twelve months from the approval of these financial statements.

Gavin Padbury
Director of Operations
T. Bailey Fund Services Limited
Nottingham, United Kingdom
24 August 2020

Rachel Elliott
Finance Director
T. Bailey Fund Services Limited
Nottingham, United Kingdom
24 August 2020

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.

INVESTMENT OBJECTIVE AND POLICY

The Fund aims to achieve a return in excess of the return on the MSCI UK All Cap Index over Rolling Periods of 5 years (after charges).

At least 80% of the Fund will be invested in shares in UK companies which the Investment Manager considers provide the potential for long-term growth with the aim of generating an excess return to that of the index (known as alpha generation). UK companies are companies which are incorporated in the UK, domiciled in the UK or are listed in the UK and have the majority of their business in the UK.

To the extent not fully invested in UK companies, the Fund may also invest in global equities, deposits, cash and near cash. Up to 10% of the Fund may also be invested in collective investment schemes, which may include those managed by the ACD and its associates.

The Fund is actively managed, taking into account the Investment Manager's views on value and growth opportunities, and is not restricted to investments in companies by market capitalisation or by industry sector. The Investment Manager will manage the Fund on a concentrated basis and the Fund will typically hold shares in between 25 and 40 UK companies at any given time. The Investment Manager's views on allocation between small, medium and large companies by market capitalisation will vary depending on market conditions. The Investment Manager is not constrained by the index and aims to retain a high active share at all times. Active share is a measure of how much the portfolio holdings in the Fund differ from the holdings within the 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 of 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.

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 Depositary, custody, FCA, and audit fees. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 14 and 15.

TB SARACEN UK ALPHA FUND, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 30 June 2020 (%)			
	6 months	1 year	3 years	5 years
A Accumulation Shares	(26.47)	(15.71)	(5.86)	6.69
B Accumulation Shares	(26.20)	(15.07)	(3.90)	10.01
MSCI UK All Cap Index*	(18.29)	(14.51)	(6.36)	12.74
IA UK All Companies Sector**	(17.71)	(11.03)	(5.08)	11.53

* Target Benchmark.

** Comparator Benchmark.

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.

Overview

The Fund endured a very difficult six months as the impact of the COVID19 pandemic took its toll on the portfolio and this has impacted the previously strong returns we reported at the end of 2019. The shares fell by 26.5% during the period, which was well behind the 18.3% decline in the MSCI UK All Cap index. March was a particularly damaging month for the Fund and despite strong recovery from a low base during the second quarter our results were disappointing overall.

Our focus on small and midcap companies, which has been a positive feature in recent years, was detrimental over the six months with the FTSE Mid250 index in particular bearing the brunt of the market falls

UK investors in general have been severely impacted by COVID19 with second quarter GDP falling by over 20%, amongst the worst outcomes globally. There is a perception that the UK government have not dealt well with the challenges of the pandemic and, as a result, UK market returns have been far worse than most other major markets, particularly the US. In addition, we have seen significant numbers of UK companies cancelling or deferring dividends and with its low weighting towards higher growth sectors such as technology the UK equity market has remained friendless, with its bias towards value factors at the expense of growth being particularly damaging.

Performance Review

The Fund has 33 investments which are spread across a variety of market capitalisations. As at 30th June 2020 the breakdown of the portfolio by size was 32% largecap, 19% midcap and 48% smallcap/other. The fund is currently fully invested.

The portfolio continues to be biased towards the financial, industrial and consumer sectors and has very limited exposure to defensive sectors such as utilities, healthcare and telecoms. This sector bias has been detrimental to performance during this period in the light of the market declines, with many of our key holdings seeing significant short-term falls in demand as a result of lockdown restrictions. In some cases, equity fundraisings have also diluted capital returns in the shorter term.

Given the major impacts seen on markets we made a number of changes to the portfolio during the first half of the year. A total of six new investments were made, the majority of which came after the major market setbacks in March. These new investments were across a range of sectors and were chosen to diversify the portfolio further whilst giving us opportunities to invest in good businesses at much lower valuations than previously. We participated in the IPO in February of the eyewear business, **Inspecks** and have been pleased to see the shares make strong progress since. **Euromoney** is a business information provider whose events business has been severely impacted by the pandemic, allowing us the chance to purchase shares at a depressed valuation. **DFS Furniture** is the UK's leading sofa retailer with a significant market share which is rising. The company has raised equity which we believe will allow it to benefit from what could be a meaningful recovery in demand for household items. In a similar vein the transport operator, **National Express**, has had a torrid few months and has also raised equity. We purchased a holding after this fundraising in response to a persistently weak share price. **Johnson Mathey** has leading technologies in platinum group metals with a focus on automotive solutions as well as healthcare and energy. The high exposure to autos has left the shares trading at low levels despite their strong long-term technological advantages. Our final purchase was the food producer **Premier Foods** where we saw extreme undervaluation in the shares due to historic issues regarding debt and pensions. These issues are now being firmly dealt with and the business is trading strongly. The shares have already recovered strongly and have made a very positive contribution to the Fund during our initial period of ownership.

Five companies were sold from the portfolio. Meaningful profits were taken in Avon Rubber after a major re-rating and in Galliford Try after the sale of its housebuilding business in January. A timely sale was also made in Vitex prior to the pandemic impacting their trading. The sales of TI Fluid Systems and Superdry were less happy tales and we took painful losses in both as it became clear that they faced major demand challenges in their markets for some time to come.

TB SARACEN UK ALPHA FUND, INVESTMENT REVIEW (CONTINUED)

The asset allocations at the period end are shown in the table below:

Sector	Asset allocation as at 30 June 2020 (%)	Asset allocation as at 31 December 2019 (%)
Aerospace & Defence	3.8	4.6
Automobiles & Components	-	2.4
Banks	4.8	4.1
Chemicals	6.7	4.1
Construction Materials	4.2	4.3
Consumer Goods	2.5	-
Electronic & Electrical Equipment	2.8	3.0
Financial Services	8.0	7.0
Food Producers	4.9	-
General Financial	5.9	5.5
General Retailers	3.3	5.4
Healthcare	2.6	2.7
House, Leisure & Personal Goods	7.1	9.1
Industrial Engineering	-	2.1
Life Insurance	4.0	3.3
Media	2.2	2.8
Mining	4.0	3.5
Oil & Gas Producers	2.2	2.4
Real Estate	4.4	6.4
Support Services	18.7	17.6
Tobacco	3.9	2.8
Transportation	2.4	-
Cash and Other	1.6	6.9
Total	100.0	100.0

The full list of holdings at the period end is shown in the Portfolio Statement on pages 10 to 13.

Outlook

After a strong year in 2019 the first six months of 2020 have been very challenging and the portfolio was not positioned well for the significant disruption that the COVID19 pandemic brought to global markets.

Our focus on valuation and high exposure to mid and smallcap companies has been detrimental during the selloff in markets. In addition, we have seen huge numbers of companies cancelling or deferring dividends and 2020 is likely to go down in history as a very challenging year for both capital and income returns.

TB SARACEN UK ALPHA FUND, INVESTMENT REVIEW (CONTINUED)

Whilst it is difficult to provide clarity at this stage, we hope to see some degree of normality return during the second half of 2020. The UK equity market remains hugely out of favour with investors the world over and there are potentially some very significant valuation gaps emerging relative to other more favoured markets and sectors. We also believe that there are substantial opportunities in UK smaller companies, an asset class which has been heavily impacted by liquidity issues and its general exposure to the UK economy.

We see great scope for the Fund to continue the initial recovery seen during the second quarter given the low levels of valuation in the portfolio. The ongoing challenges are clear, but our immediate focus is to continue to rebuild capital after some recent recovery.

We shall remain focussed but open minded in our approach and we believe that our flexible, 'multi-cap' approach will serve the Fund and our investors well over the longer term.

Scott McKenzie
Investment Director
Saracen Fund Managers Limited
Edinburgh, United Kingdom
24 August 2020

TB SARACEN UK ALPHA FUND, PORTFOLIO STATEMENT
As at 30 June 2020

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Aerospace & Defence (3.8%; 31.12.19 - 4.6%)		
169,000 Chemring Group	408,980	3.8
	408,980	3.8
Banks (4.8%; 31.12.19 - 4.1%)		
450,000 Barclays	514,800	4.8
	514,800	4.8
Chemicals (6.7%; 31.12.19 - 4.1%)		
20,500 Johnson Matthey	429,885	4.1
100,000 Synthomer	278,200	2.6
	708,085	6.7
Construction Materials (4.2%; 31.12.19 - 4.3%)		
140,000 Eurocell	224,000	2.1
119,700 Tyman	226,951	2.1
	450,951	4.2
Consumer Goods (2.5%; 31.12.19 - 0.0%)		
134,999 Inspecs Group	261,898	2.5
	261,898	2.5
Electronic & Electrical Equipment (2.8%; 31.12.19 - 3.0%)		
265,000 Melrose	302,100	2.8
	302,100	2.8

TB SARACEN UK ALPHA FUND, PORTFOLIO STATEMENT (CONTINUED)

 As at 30 June 2020

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Financial Services		
(8.0%; 31.12.19 - 7.0%)		
25,000 Intermediate Capital	322,000	3.0
198,000 Standard Life Aberdeen	529,848	5.0
	851,848	8.0
Food Producers		
(4.9%; 31.12.19 - 0.0%)		
750,000 Premier Foods	525,000	4.9
	525,000	4.9
General Financial		
(5.9%; 31.12.19 - 5.5%)		
32,000 Mattioli Woods	224,000	2.1
400,000 Premier Asset Management	400,000	3.8
	624,000	5.9
General Retailers		
(3.3%; 31.12.19 - 5.4%)		
100,000 DFS Furniture	164,800	1.5
125,000 Halfords	189,500	1.8
	354,300	3.3
Healthcare		
(2.6%; 31.12.19 - 2.7%)		
35,000 Clinigen	280,700	2.6
	280,700	2.6
House, Leisure & Personal Goods		
(7.1%; 31.12.19 - 9.1%)		
62,000 MJ Gleeson	403,000	3.8
48,785 Vistry	346,617	3.3
	749,617	7.1

TB SARACEN UK ALPHA FUND, PORTFOLIO STATEMENT (CONTINUED)

 As at 30 June 2020

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Life Insurance		
(4.0%; 31.12.19 - 3.3%)		
34,500 Prudential	420,383	4.0
	420,383	4.0
Media		
(2.2%; 31.12.19 - 2.8%)		
102,000 STV	232,560	2.2
	232,560	2.2
Mining		
(4.0%; 31.12.19 - 3.5%)		
9,400 Rio Tinto	427,559	4.0
	427,559	4.0
Oil & Gas Producers		
(2.2%; 31.12.19 - 2.4%)		
120,000 Wood Group (J)	232,440	2.2
	232,440	2.2
Real Estate		
(4.4%; 31.12.19 - 6.4%)		
170,000 Palace Capital	285,600	2.7
240,000 U+I Group	185,280	1.7
	470,880	4.4

TB SARACEN UK ALPHA FUND, PORTFOLIO STATEMENT (CONTINUED)

As at 30 June 2020

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Support Services		
(18.7%; 31.12.19 - 17.6%)		
200,000 Alpha Financial Markets Consulting	360,000	3.4
50,000 Discoverie	256,000	2.4
225,000 Equiniti	325,800	3.1
27,000 Euromoney Institutional Investor	211,950	2.0
481,500 Kin And Carta	293,715	2.8
60,000 Marlowe	300,000	2.8
70,000 Restore	239,400	2.2
	1,986,865	18.7
Tobacco		
(3.9%; 31.12.19 - 2.8%)		
27,000 Imperial Brands	415,395	3.9
	415,395	3.9
Transportation		
(2.4%; 31.12.19 - 0.0%)		
135,000 National express	252,180	2.4
	252,180	2.4
Portfolio of investments	10,470,541	98.4
Net other assets	170,083	1.6
Total net assets	10,640,624	100.0

All holdings are in equities listed on recognised stock exchanges.

'Automobiles & Components' sector disinvested since the beginning of the period (31 December 2019: 2.4%).

'Industrial Engineering' sector disinvested since the beginning of the period (31 December 2019: 2.1%).

TB SARACEN UK ALPHA FUND, SUMMARY OF FUND PERFORMANCE

A Accumulation Shares	1 Jan 2020 to 30 Jun 2020	1 Jan 2019 to 31 Dec 2019	1 Jan 2018 to 31 Dec 2018	1 Jan 2017 to 31 Dec 2017
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	544.96	417.24	466.60	388.78
Return before operating charges*	(143.90)	136.96	(39.74)	85.27
Operating charges	(4.19)	(9.24)	(9.62)	(7.45)
Return after operating charges*	(148.09)	127.72	(49.36)	77.82
Distributions	0.00	(8.41)	(5.23)	(6.18)
Retained distributions on accumulation shares	0.00	8.41	5.23	6.18
Closing net asset value per share	396.87	544.96	417.24	466.60
* after direct transaction costs of:	0.46	1.56	1.38	1.01
Performance				
Return after charges	(27.17)%	30.61%	(10.58)%	20.02%
Other information				
Closing net asset value	£1,778,387	£2,508,564	£2,220,008	£2,643,249
Closing number of shares	448,105	460,317	532,075	566,496
Operating charges (p.a)	1.93%	1.96%	1.90%	1.75%
Direct transaction costs (p.a)	0.21%	0.33%	0.29%	0.24%
Prices				
Highest published share price	550.42	548.22	512.95	468.24
Lowest published share price	299.74	418.03	413.98	390.13

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 2020 to 30 Jun 2020	1 Jan 2019 to 31 Dec 2019	1 Jan 2018 to 31 Dec 2018	1 Jan 2017 to 31 Dec 2017
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	892.29	678.06	753.11	624.37
Return before operating charges*	(235.85)	223.58	(64.54)	137.38
Operating charges	(4.20)	(9.35)	(10.51)	(8.64)
Return after operating charges*	(240.05)	214.23	(75.05)	128.74
Distributions	0.00	(19.50)	(12.96)	(13.44)
Retained distributions on accumulation shares	0.00	19.50	12.96	13.44
Closing net asset value per share	652.24	892.29	678.06	753.11
* after direct transaction costs of:	0.75	2.55	2.22	1.64
Performance				
Return after charges	(26.90)%	31.59%	(9.97)%	20.62%
Other information				
Closing net asset value	£8,862,237	£12,623,515	£7,436,353	£25,178,950
Closing number of shares	1,358,737	1,414,735	1,096,715	3,343,333
Operating charges (p.a.)	1.18%	1.21%	1.15%	1.25%
Direct transaction costs (p.a.)	0.21%	0.33%	0.29%	0.24%
Prices				
Highest published share price	902.16	897.61	830.97	755.71
Lowest published share price	491.62	679.37	672.58	626.54

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 2020

		30.06.20	30.06.19
	£	£	£
Income			
Net capital (losses)/gains		(4,036,269)	1,326,400
Revenue	109,490		198,997
Expenses	(75,655)		(69,259)
Net revenue before taxation	33,835		129,738
Taxation	-		-
Net revenue after taxation		33,835	129,738
Total (loss)/return before distributions		(4,002,434)	1,456,138
Distributions		(598)	918
Change in net assets attributable to shareholders from investment activities		(4,003,032)	1,457,056

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERSFor the six-month period ended 30 June 2020

		30.06.20	30.06.19
	£	£	£
Opening net assets attributable to shareholders		15,132,077	9,656,361
<i>Movements due to sales and repurchases of shares:</i>			
Amounts receivable on issue of shares	793,963		1,332,696
Amounts payable on cancellation of shares	(1,282,384)		(1,051,267)
		(488,421)	281,429
Change in net assets attributable to shareholders from investment activities		(4,003,032)	1,457,056
Closing net assets attributable to shareholders		10,640,624	11,394,846

TB SARACEN UK ALPHA FUND, BALANCE SHEET
As at 30 June 2020

	30.06.20	31.12.19
	£	£
Assets:		
Fixed Assets:		
Investments	10,470,541	14,091,455
Current Assets:		
Debtors	22,080	63,039
Cash and bank balances	236,780	1,035,782
Total assets	<u>10,729,401</u>	<u>15,190,276</u>
Liabilities:		
Creditors:		
Other creditors	88,777	58,199
Total liabilities	<u>88,777</u>	<u>58,199</u>
Net assets attributable to shareholders	<u>10,640,624</u>	<u>15,132,077</u>

Accounting policies

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 31 December 2019.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) 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.

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 both income and capital growth over Rolling Periods of 5 years (after charges).

At least 80% of the Fund will be invested in a global portfolio of equities (i.e. shares) in large companies anywhere in the world (including but not limited to the UK). For these purposes, large companies are companies with a market capitalisation equal to or greater than \$5 billion.

The Fund is actively managed and will be invested in assets that in the opinion of the Investment Manager provide the potential for income and long-term capital growth. The Fund's holdings in equities will be diversified by sector, and at any given time the Fund may be exposed to companies in sectors such as, for example, healthcare, financials, technology, or consumer goods.

To the extent not fully invested in such equities, the Fund may invest in other equity-related securities (i.e. other investments whose value is related to equities), or bonds giving exposure to such companies. The Fund may also invest in deposits, cash and near cash. Up to 10% of the Fund may also be invested in collective investment schemes, which may include those managed by the ACD and its associates.

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 movements of 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.

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 and audit fees. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 30 to 33.

TB SARACEN GLOBAL INCOME AND GROWTH FUND, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 30 June 2019 (%)			
	6 months	1 year	3 years	5 years
B Accumulation Shares	(10.67)	(10.29)	(4.99)	29.35
IA Global Equity Income Sector*	(6.25)	(2.58)	9.42	42.94

* Comparator Benchmark.

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.

Overview

The 1st Half of 2020 was dominated by the global Covid crisis. Those of us who have been through the Global Financial Crises of 2007-8 thought that we would not see a more severe economic downturn in our lifetimes: how wrong we were!

Global economic growth collapsed as many countries went into lock-down. Nevertheless, it is encouraging that after the most severe fall in economic activity in living memory, equity markets have recovered and taken strength from a better than anticipated pick-up in activity from the lows of April and May. Remarkably, global Equities had their best quarter since 1998 and the S&P had its best 100 day run since 1933 – rallying over 40% from the March lows!!

Several themes persisted that continued to impact performance, namely: the continued underperformance of 'value' and the downplaying of traditional valuation metrics when discussing highly valued businesses.

SGIG achieved a total return of -10.7% (B Accumulation Shares) over the past 6 months which compares to -6.4% for the IA Global Equity Income Sector. The half-year dividend was reduced by 36% to 2.52p. Since inception on 8 June 2011 to 30th June 2020, SGIG has achieved second quartile performance achieving a total return of +91% against a total return of +98% from the IA Global Equity Income Sector.

Portfolio Review

We have commented on several occasions of the crowded trades in expensive defensive companies (we think) or so called 'quality' shares. We noted a growing realisation that economic events have changed and governments are more active in use of fiscal policy, which tends to favour businesses that are classified as 'value' such as mining, construction and engineering/capital goods. Consequently, we received many calls and had discussion surrounding looking at value directly, or as a step towards re-balancing portfolios.

At Saracen we have always been careful in the use of the term 'Value', as it means different things to different people. When we consider or screen any investment, we look for high and sustainable margins, a positive ROIC spread, a strong balance sheet, healthy dividend cover etc. No matter how favourable all of the above factors, the share must also pass the vital test of "Is it cheap?"

Our starting point is that buying good businesses at attractive prices and not overpaying for illusory growth appears a sensible approach.

We have noted in recent years the decline in discussion, or even comment on valuation when discussing potential investments. This tends to occur when the tried and tested tool is no longer supportive to the recommendation and a new tool is adopted. We are frequently dismayed by the acceptance of adjustments that companies make to GAAP earnings to 'helpfully' provide an 'underling measure'. This is a particular problem in the US where managers frequently exclude large cash items, such as litigation and restructuring which appear almost every year. In fact, the exceptional would be their non-appearance!

The most common strategy to get round valuation issues, is to compare something that is expensive with something that is even more expensive. It's like saying, "Don't burn your hand in the fire, scald it in hot water instead! We have seen this relative approach tried before and it didn't end well.

Surely share valuations must be a reflection of investors' expectations of future prospects. We are firm believers in a valuation methodology that is based on long-term cash earnings. It seems a strange approach to ignore the price you pay, when considering an investment. Similarly, if there is an attractive price to buy a share, there must also surely be a price when it is overvalued and should be sold. It seems like the industry has forgotten, or more likely, conveniently ignored any Sell Process to allow managers to retain shares, when they intuitively know they are expensive: but there is safety in numbers!

There is no getting away from the fact that continuing with our process has hampered returns for the past 18 months. However, longer term, we believe the evidence is compelling that investing in good businesses at attractive prices produces superior returns and we are not about to change our style now.

Given the extremities in valuations across markets, a sharp recession may be the catalyst for a long-awaited change in market leadership. If investors were going to sell expensive shares on valuation grounds, they would have probably sold them long-before now.

While there is always the potential for expensive shares to become more expensive, that does nothing to discredit the argument that investors should be looking to identify more attractive alternatives.

Market leadership has been unusually tight. Year-to-date around 85% of the move in the S&P 500 index is explained by just five stocks – FAMAG (Facebook, Amazon, Microsoft, Apple and Alphabet/Google). It is hard to see how this level of concentration can continue, especially given the already 'rich' valuations these businesses have achieved: it is more likely that for markets to progress, leadership will change and widen. This should be very positive for Fund performance.

In the 1st half of 2020 we added several new positions. When volatility increases, we tend to be more active and the period under review was no exception. There are many high-quality companies that currently have a sizeable difference between today's share price and their longer-term prospects. We have no confidence that market timing is a plausible strategy. However, we found prices very attractive and used the opportunity to top-up some existing holdings and added some new positions.

We added **American Express, Danone, Fuchs Petrolub, Prudential and Rockwell**. Their share prices had fallen by between 30% and 55% in just 4 weeks! We also topped up core positions that had been badly impacted by the market weakness such as **AIB, Barclays, Axa, BP, Cisco, Du Pont De Nemours, eBay, Intel and Rio Tinto**. We have high conviction on their longer-term prospects.

We funded the purchases by selling ABB, Asahi Group, AstraZeneca, Dow Inc, HSBC, Pandora and ProSieben. We also switched our Carnival Corp into Sabre, which as a software company selling into the travel industry is less operationally and financially geared and will benefit instantaneously when demand returns.

We have summarized the reasoning for these actions below. For those wishing for additional detail, we would be delighted to receive your enquiry.

American Express is a high-quality business that benefits from both business and consumer spending, domestically and on travel. Returns are high and the dividend has grown by 10% p.a. for at least the past 7 years. The share rating and price has collapsed due to concerns over travel and business spending as a result of the coronavirus. There is considerable surplus capital and the pay-out ratio remains at only 20%. 2020 is expected to be tough, but it is likely that the shares will rebound to business as usual. Accordingly, we viewed the recent 50% share price hit as a Buying opportunity.

We funded the purchase by selling our holding in **HSBC** where we have concerns over the scale of the internal reorganisation that is occurring at this time, the potential for sharply rising bad debts in HK and a capital position that does not give us adequate comfort.

We have watched **Danone** transition itself over the last few years into interesting growth areas such as plant-based products, a long-term trend in its infancy. In addition, the traditional dairy business appears to have stabilised. The company is highly ranked on ESG matters and is a frontrunner in the fight to reduce plastic waste. Danone was one of the few consumer staples companies whose share price didn't hold up relatively well during the quarter as the shares fell from over €80 towards €50. With the shares trading on 14X year 1 PER and yielding 3.8%, we bought a position for the Fund.

The purchase was funded by selling our positions in both **Asahi Group** and **AstraZeneca**. Asahi Group recently announced the acquisition of the Australian beer assets of ABI. Given the market backdrop, the deal looks incredibly poorly timed given market valuations and investor focus on leverage. AstraZeneca shares have performed incredibly well since we bought them 5 years ago and now look more expensive on an absolute and relative basis.

Fuchs Petrolub has many of the attributes that we look for in a business: management focus on LT shareholder value, high and sustainable margins, strong Balance Sheet, CFROI > WACC. Management reinvests in the business or makes small bolt-on acquisitions to add to their product range or accelerate global distribution. It is a Family owned business (55% - Voting Shares) specializing in lubricants. While it is the No.1 independent supplier of lubricants, Fuchs comes in 9th overall. However, the lubricant businesses are small and almost insignificant within the oil majors, allowing the focus and service of Fuchs to grow market share by quality and service and into speciality areas. As machining tolerances increase, so does the requirement for specialised lubricants. The Balance Sheet is conservative, and the dividend is solid. Accounts are refreshingly transparent. The share price has sold off due to concerns of global recession and the exposure to automotive and this provided an attractive entry point for a high-quality business.

We funded the purchase by selling our holding in **Dow Inc** which de-merged out of DowDuPont in 2019 and is much more cyclical and lower quality than Fuchs.

Prudential - We have always been attracted by the Asian growth story but had been put off by the ex-growth UK pensions business and opaque variable annuity business in the US. However, the UK business was de-merged in Q4 2019 and the share price fell from £15 to £7 in March which implied the market was ascribing a negative value to the US business. With the shares trading on 5X Year 1 PER and yielding 4%, we took advantage of the share price weakness to buy a position for the fund. We note that an activist investor has built a 5% stake and is pushing the management team to reduce central costs and sell/de-merge the US business which will leave a very attractive Asian franchise which we want to own for the long-term.

We funded our purchase by selling our holdings in **Pandora** and **ProSieben**, which appear destined to remain lowly valued.

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

Rockwell is a leader in industrial automation and is at the forefront of automation, digital manufacturing and monitoring: technology driven productivity. It is a high-quality company with many of the characteristics we look for: global leader, strong margins, high ROCE, and strong Balance Sheet. It has increased the dividend for the past 31 years. The company is at the forefront of the big data manufacturing and maintenance revolution. Rockwell will continue to benefit from the trend towards efficiency and automation and the desire to reduce waste and emissions. While this has a hardware component, Rockwell is at the forefront of the integration of software to generate and manage the data. We used the significant share price weakness to initiate a position.

We sold **ABB** to fund the purchase. ABB's shares had rallied hard over the last 6 months on expectations that the new CEO can improve the group's margin profile and no longer looked good value, with a more severe worst case emerging.

After the unusually high level of activity in March, we only made minimal changes to the portfolio during the 2nd quarter.

We sold **BP** and reinvested the proceeds into **General Dynamics**.

General Dynamics is a global aerospace and defense company that is a global leader in its chosen segments namely: Gulfstream Business jets, Combat Systems, Information Technology, Mission Systems and Marine Systems. It is a dividend aristocrat having increased its dividend for the last 23 years and enjoys a high ROIC.

The shares have been weak given the businesses exposure to the business jet market, which provided the opportunity for the Fund. The shares trade on 14X 2020 earnings and yield 3%.

The asset allocations at the period end are shown in the table below:

Sector	Asset allocation as at 30 June 2020 (%)	Asset allocation as at 31 December 2019 (%)
Denmark	1.5	3.0
France	13.7	11.1
Germany	8.3	10.2
Hong Kong	0.8	1.3
Ireland (Republic Of)	1.7	2.4
Japan	-	1.4
Singapore	3.6	3.3
Sweden	3.5	3.5
Switzerland	7.0	8.0
United Kingdom	12.8	16.6
United States	46.1	40.4
Cash and Other	1.0	(1.2)
Total	100.0	100.0

The full list of holdings at the period end is shown in the portfolio statement on pages 27 to 29.

Dividend Outlook

We pride ourselves on having grown the dividend every year since the fund was launched in June 2011. As a reminder, we target mid-single digit dividend growth over the long-term. Given the impact of the coronavirus on trading and from the reaction of some regulatory authorities, our dividend will fall in 2020. The big question is by how much?

We expect the economic fallout from the coronavirus to be as severe as the '08-09 recession, but shorter, and look for significant earnings declines this year, before rebounding next. The hit to dividends could equally be significant as companies preserve capital/cash flow, come under pressure from regulators to stop payments (sector specific like Banks and certain countries like Germany and France) and prioritise social responsibility over pay-out.

However, we would expect any decline in income to be temporary given the unprecedented degree of fiscal and monetary stimulus, which should create a strong rebound when the lockdowns are removed. Indeed, we view the overwhelming majority of the dividend cuts as temporary and expect payments to normalise in 2021.

The issue is made slightly more complex given that European companies tend to make one dividend distribution per annum which unfortunately tends to be paid in April/May. We are seeing many European companies delaying their AGM's until the summer in the hope that they can still pay a dividend in H2 2020. American businesses pay dividends quarterly which gives the companies more flexibility.

Our central case scenario is based on our defensive core of stocks which represent 30% of the portfolio – namely our holdings in Pharmaceuticals, Tobacco and Consumer Staples – and all our technology stocks (ex-Sabre) to pay their dividends in full. We forecast a 15% decline in dividend in 2020 for TB SGIG, which means that the Fund yields a still very attractive 4.9%.

We also provide a worst-case scenario – which we hope is too conservative – which results in a 33% cut in dividend year on year. Even under this scenario, the fund still yields nearly 4%.

Outlook

It is clear that a Value bias has not been favourable in recent years. Value has so far significantly underperformed in all market conditions since 2009.

We expect coronavirus to cause a sharp recession.

However, the unprecedented scale and speed of fiscal policy should ensure a swift rebound in economic activity when the lockdown ends.

We expect this to result in a change in market leadership towards Value stocks! Bear markets end with recessions, they don't begin with them!

We have taken advantage of the market downturn to significantly upgrade the portfolio and buy high quality businesses that we have always wanted to own where previously the valuation wasn't attractive enough nor the yield high enough. We consider the portfolio to be well-positioned for the long-term and do not expect to make more significant changes.

The Fund looks cheap on all conventional valuation metrics and currently yields 4.9% based on our central case assumptions. As a reminder, the fund remains very liquid with the average market capitalisation of companies currently £55bn.

We are committed to our process: Many investors appear not to care about valuations, but we do. We expect the Fund to materially outperform and recover lost ground when we enter the economic recovery phase.

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

Thank you for your continued support during these challenging times. We hope you and your families stay safe!

Graham Campbell
Co-Fund Manager
Saracen Fund Managers Limited
Edinburgh, United Kingdom
24 August 2020

David Keir
Co-Fund Manager
Saracen Fund Managers Limited
Edinburgh, United Kingdom
24 August 2020

TB SARACEN GLOBAL INCOME AND GROWTH FUND, PORTFOLIO STATEMENT

 As at 30 June 2020

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Denmark		
(1.5%; 31.12.19 - 3.0%)		
25,000 Nov o-Nordisk	1,311,364	1.5
	1,311,364	1.5
France		
(13.7%; 31.12.19 - 11.1%)		
90,000 Axa	1,520,763	1.8
111,000 Compagnie De Saint Gobain	3,230,191	3.7
47,500 Danone	2,655,858	3.1
11,000 Michelin	922,561	1.1
25,000 Schneider Electric	2,245,232	2.6
55,000 Valeo	1,166,939	1.4
	11,741,544	13.7
Germany		
(8.3%; 31.12.19 - 10.2%)		
110,000 Ev onik Industries	2,261,944	2.6
63,000 Fuchs Petrolub	1,716,621	2.0
51,000 HeidelbergCement	2,207,684	2.6
38,000 Hugo Boss	931,880	1.1
	7,118,129	8.3
Hong Kong		
(0.8%; 31.12.19 - 1.3%)		
800,000 Samsonite International	650,366	0.8
	650,366	0.8
Ireland (Republic of)		
(1.7%; 31.12.19 - 2.4%)		
1,440,000 AIB	1,463,542	1.7
	1,463,542	1.7

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

 As at 30 June 2020

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Singapore		
(3.6%; 31.12.19 - 3.3%)		
260,000 DBS	3,133,801	3.6
	3,133,801	3.6
Sweden		
(3.5%; 31.12.19 - 3.5%)		
390,000 Svenska Handelsbanken	2,991,175	3.5
	2,991,175	3.5
Switzerland		
(7.0%; 31.12.19 - 8.0%)		
12,200 Roche Holding	3,415,771	4.0
280,000 UBS	2,602,013	3.0
	6,017,784	7.0
United Kingdom		
(12.8%; 31.12.19 - 16.6%)		
2,065,000 Barclays	2,362,360	2.7
117,000 Imperial Brands	1,800,045	2.1
135,000 Johnson Matthey	2,830,950	3.3
115,000 Prudential	1,401,275	1.6
59,000 Rio Tinto	2,683,615	3.1
	11,078,245	12.8

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

As at 30 June 2020

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
United States		
(46.1%; 31.12.19 - 40.4%)		
24,000 American Express	1,844,543	2.1
36,000 Bristol-Myers Squibb	1,709,120	2.0
25,000 Chevron	1,801,842	2.1
95,500 Cisco Systems	3,597,354	4.2
40,000 Dupont De Nemours	1,716,132	2.0
94,000 Ebay	3,979,756	4.6
9,000 General Dynamics	1,085,904	1.3
56,000 Intel	2,705,679	3.1
34,900 International Business Machines	3,401,756	3.9
180,000 Interpublic Group of Companies	2,493,739	2.9
25,000 Johnson & Johnson	2,834,437	3.3
41,500 Merck & Co.	2,591,445	3.0
52,000 Pfizer	1,373,197	1.6
67,000 Philip Morris International	3,788,133	4.4
14,000 Rockwell Automation	2,408,240	2.8
150,000 Sabre	976,654	1.1
96,000 Schlumberger	1,425,382	1.7
	39,733,313	46.1
Portfolio of investments	85,239,263	99.0
Net other assets	849,565	1.0
Total net assets	86,088,828	100.0

All holdings are in equities listed on recognised stock exchanges.

'Japan' sector disinvested since the start of the period (31 December: 1.4%)

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

B Accumulation Shares	1 Jan 2020 to 30 Jun 2020	1 Jan 2019 to 31 Dec 2019	1 Jan 2018 to 31 Dec 2018	1 Jan 2017 to 31 Dec 2017
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	212.52	187.47	208.54	188.11
Return before operating charges*	(21.69)	27.03	(18.96)	22.46
Operating charges	(0.94)	(1.98)	(2.11)	(2.03)
Return after operating charges*	(22.63)	25.05	(21.07)	20.43
Distributions	(3.30)	(8.54)	(6.69)	(5.22)
Retained distributions on accumulation shares	3.30	8.54	6.69	5.22
Closing net asset value per share	189.89	212.52	187.47	208.54
* after direct transaction costs of:	0.11	0.22	0.21	0.49
Performance				
Return after charges	(10.65)%	13.36%	(10.10)%	10.86%
Other information				
Closing net asset value	£22,800,660	£30,565,628	£37,209,623	£38,377,092
Closing number of shares	12,007,063	14,382,481	19,848,539	18,403,115
Operating charges (p.a)	1.01%	1.02%	1.04%	1.01%
Direct transaction costs (p.a)	0.11%	0.11%	0.10%	0.25%
Prices				
Highest published share price	217.91	219.20	216.81	210.36
Lowest published share price	146.90	187.27	185.20	188.99

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 2020 to 30 Jun 2020	1 Jan 2019 to 31 Dec 2019	1 Jan 2018 to 31 Dec 2018	1 Jan 2017 to 31 Dec 2017
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	162.57	149.36	171.94	159.16
Return before operating charges*	(16.59)	21.52	(15.38)	18.87
Operating charges	(0.72)	(1.56)	(1.72)	(1.70)
Return after operating charges*	(17.31)	19.96	(17.10)	17.17
Distributions on income shares	(2.52)	(6.75)	(5.48)	(4.39)
Closing net asset value per share	142.74	162.57	149.36	171.94
* after direct transaction costs of:	0.08	0.17	0.17	0.41
Performance				
Return after charges	(10.65)%	13.36%	(9.95)%	10.79%
Other information				
Closing net asset value	£58,586,097	£77,508,509	£69,517,973	£71,005,604
Closing number of shares	41,043,326	47,678,009	46,543,115	41,297,428
Operating charges (p.a.)	1.01%	1.02%	1.04%	1.01%
Direct transaction costs (p.a.)	0.11%	0.11%	0.10%	0.25%
Prices				
Highest published share price	166.71	171.43	177.50	174.86
Lowest published share price	112.38	149.20	149.73	159.91

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 2020 to 30 Jun 2020	1 Jan 2019 to 31 Dec 2019	1 Jan 2018 to 31 Dec 2018	1 Jan 2017 to 31 Dec 2017
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	165.81	147.36	165.15	150.09
Return before operating charges*	(16.92)	21.22	(14.92)	17.86
Operating charges	(1.28)	(2.77)	(2.87)	(2.80)
Return after operating charges*	(18.20)	18.45	(17.79)	15.06
Distributions	(2.57)	(6.69)	(5.16)	(3.55)
Retained distributions on accumulation shares	2.57	6.69	5.16	3.55
Closing net asset value per share	147.61	165.81	147.36	165.15
* after direct transaction costs of:	0.08	0.17	0.17	0.39
Performance				
Return after charges	(10.98)%	12.52%	(10.77)%	10.03%
Other information				
Closing net asset value	£1,924,579	£2,360,472	£2,421,340	£3,195,913
Closing number of shares	1,303,842	1,423,584	1,643,193	1,935,186
Operating charges (p.a)	1.76%	1.77%	1.79%	1.76%
Direct transaction costs (p.a)	0.11%	0.11%	0.10%	0.25%
Prices				
Highest published share price	169.95	171.55	170.86	166.89
Lowest published share price	114.42	147.20	145.58	150.70

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 Distribution Shares	1 Jan 2020 to 30 Jun 2020	1 Jan 2019 to 31 Dec 2019	1 Jan 2018 to 31 Dec 2018	1 Jan 2017 to 31 Dec 2017
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	135.26	125.22	145.12	134.85
Return before operating charges*	(13.81)	18.00	(12.89)	15.95
Operating charges	(1.04)	(2.32)	(2.50)	(2.50)
Return after operating charges*	(14.85)	15.68	(15.39)	13.45
Distributions on income shares	(2.09)	(5.64)	(4.51)	(3.18)
Closing net asset value per share	118.32	135.26	125.22	145.12
* after direct transaction costs of:	0.07	0.15	0.15	0.35
Performance				
Return after charges	(10.98)%	12.52%	(10.61)%	9.97%
Other information				
Closing net asset value	£2,777,492	£3,328,018	£3,344,616	£4,331,877
Closing number of shares	2,347,427	2,460,486	2,671,087	2,985,050
Operating charges (p.a.)	1.76%	1.77%	1.79%	1.76%
Direct transaction costs (p.a.)	0.11%	0.11%	0.10%	0.25%
Prices				
Highest published share price	138.65	143.40	149.77	147.58
Lowest published share price	93.34	125.07	125.54	135.40

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, STATEMENT OF TOTAL RETURN

For the six-month period ended 30 June 2020

	30.06.20	30.06.19
	£	£
Income		
Net capital (losses)/gains	(15,335,322)	11,988,225
Revenue	1,851,545	3,414,770
Expenses	(493,587)	(517,467)
Interest payable and similar charges	(862)	(1,006)
Net revenue before taxation	<u>1,357,096</u>	<u>2,896,297</u>
Taxation	(196,133)	-
Net revenue after taxation	<u>1,160,963</u>	<u>2,896,297</u>
Total (loss)/return before distributions	(14,174,359)	14,884,522
Distributions	(1,665,613)	(2,943,766)
Change in net assets attributable to shareholders from investment activities	<u>(15,839,972)</u>	<u>11,940,756</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six-month period ended 30 June 2020

	30.06.20	30.06.19
	£	£
Opening net assets attributable to shareholders	113,762,625	112,493,552
<i>Movements due to sales and repurchases of shares:</i>		
Amounts receivable on issue of shares	11,347,164	12,003,523
Amounts payable on cancellation of shares	(23,610,373)	(14,511,827)
	(12,263,209)	(2,508,304)
Change in net assets attributable to shareholders from investment activities	(15,839,972)	11,940,756
Retained distributions on accumulation shares	429,384	914,713
Closing net assets attributable to shareholders	<u>86,088,828</u>	<u>122,840,717</u>

TB SARACEN GLOBAL INCOME AND GROWTH FUND, BALANCE SHEET
As at 30 June 2020

	30.06.20	31.12.19
	£	£
Assets:		
Fixed Assets:		
Investments	85,239,263	115,130,378
Current Assets:		
Debtors	3,599,916	682,833
Cash and bank balances	176,766	48,392
Total assets	89,015,945	115,861,603
Liabilities:		
Creditors:		
Distribution payable on income shares	1,084,514	1,392,240
Other creditors	1,842,603	706,738
Total liabilities	2,927,117	2,098,978
Net assets attributable to shareholders	86,088,828	113,762,625

Accounting policies

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 31 December 2019.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) 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.

TB SARACEN GLOBAL INCOME AND GROWTH FUND, DISTRIBUTION TABLEFor the six-month period ended 30 June 2020

Interim Distribution (30 June 2020)

Group 1 - Shares purchased on or prior to 31 December 2019

Group 2 - Shares purchased after 31 December 2019

Shares	Revenue (pence)	Equalisation ¹ (pence)	Paid/Accumulated	Paid/Accumulated
			31.08.20 (pence)	31.08.19 (pence)
B Distribution				
Group 1	2.5225	-	2.5225	3.9500
Group 2	1.3299	1.1926	2.5225	3.9500
A Distribution				
Group 1	2.0944	-	2.0944	3.3047
Group 2	1.4938	0.6006	2.0944	3.3047
B Accumulation				
Group 1	3.2972	-	3.2972	4.9586
Group 2	1.7917	1.5055	3.2972	4.9586
A Accumulation				
Group 1	2.5675	-	2.5675	3.8893
Group 2	1.2897	1.2778	2.5675	3.8893

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 the MSCI UK All Cap Index and an overall return (income plus capital growth) in excess of that index, in each case over Rolling Periods of 5 years (after charges).

At least 80% of the Fund will be invested in the shares of UK companies which the Investment Manager considers provide the potential for secure and growing dividends over the long term. UK companies are companies which are incorporated in the UK, domiciled in the UK or are listed in the UK and have the majority of their business in the UK.

To the extent not fully invested in UK companies, the Fund may also invest in global equities, bonds, deposits, cash and near cash. Up to 10% of the Fund may also be invested in collective investment schemes, which may include those managed by the ACD and its associates.

The Fund is actively managed, taking into account the Investment Manager's views on value and growth opportunities, and is not restricted to investments in companies by market capitalisation or by industry sector. The Investment Manager will manage the Fund on a concentrated basis and the Fund will typically hold shares in between 25 and 40 UK companies at any given time. The Investment Manager's views on allocation between small, medium and large companies by market capitalisation will vary depending on market conditions.

RISK PROFILE

As the Fund will invest primarily in UK listed shares, the Fund will have greater exposure to UK markets, 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.

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 and audit fees. The OCFs, as calculated in accordance with ESMA guidelines, are disclosed as 'Operating charges (p.a.)' in the Summary of Fund Performance tables on pages 48 and 49.

TB SARACEN UK INCOME FUND, INVESTMENT REVIEW

Performance

	Cumulative returns for the periods ended 30 June 2020 (%)			
	6 months	1 year	3 years	5 years
B Accumulation Shares	(28.50)	(19.72)	(12.07)	(1.28)
MSCI UK All Cap Index*	(18.29)	(14.51)	(6.36)	12.74
IA UK Equity Income Sector**	(20.22)	(13.58)	(10.66)	4.68

* Target Benchmark.

** Comparator Benchmark.

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.

Overview

The Fund endured a very difficult six months as the impact of the COVID19 pandemic took its toll on the portfolio and this has impacted the previously strong returns we reported at the end of 2019. The shares fell by 28.5% during the period, which was well behind the 18.3% decline in the MSCI UK All Cap index. March was a particularly damaging month for the Fund and despite strong recovery from a low base during the second quarter our results were disappointing overall.

Our focus on small and midcap companies, which has been a positive feature in recent years, was detrimental over the six months with the FTSE Mid250 index in particular bearing the brunt of the market falls

UK investors in general have been severely impacted by COVID19 with second quarter GDP falling by over 20%, amongst the worst outcomes globally. There is a perception that the UK government have not dealt well with the challenges of the pandemic and, as a result, UK market returns have been far worse than most other major markets, particularly the US. In addition, we have seen significant numbers of UK companies cancelling or deferring dividends and with its low weighting towards higher growth sectors such as technology the UK equity market has remained friendless, with its bias towards value factors at the expense of growth being particularly damaging.

Performance Review

The Fund has 33 investments which are spread across a variety of market capitalisations. As at 30th June 2020 the breakdown of the portfolio by size was 47% largecap, 25% midcap and 28% smallcap/other. The Fund is currently fully invested.

The portfolio continues to be biased towards the financial, industrial and consumer sectors and has no exposure to defensive sectors such as utilities, healthcare and telecoms. This sector bias has been detrimental to performance during this period in the light of the market declines, with many of our key holdings seeing significant short-term falls in demand as a result of lockdown restrictions. In addition, a large number of holdings have seen substantial falls in dividends which have impacted both capital and income returns.

Given the major impacts seen on markets we made a number of changes to the portfolio during the first half of the year. A total of six new investments were made, five of which came after the major market setbacks in March. We participated in the IPO in February of the insolvency practitioner, **FRP Advisory**. This proved to be prescient given the subsequent increase in bankruptcies already seen and the shares have risen sharply since. The other new investments were across a range of sectors and were chosen to diversify the portfolio further whilst giving us opportunities to invest in good businesses at much lower valuations than previously. **Paypoint** is a supplier of point of sale technology to small retailers, most of whom remained essential during lockdown. **Euromoney** is a business information provider whose events business has been severely impacted by the pandemic, allowing us the chance to purchase shares at a depressed valuation. **DFS Furniture** is a retailer we have owned previously in the Fund. The company has raised equity which we believe will allow it to benefit from what could be a meaningful recovery in demand for household items. **Johnson Mathey** has leading technologies in platinum group metals with a focus on automotive solutions as well as healthcare and energy. The high exposure to autos has left the shares trading at low levels despite their strong long-term technological advantages. Our final purchase was the food ingredients business **Tate & Lyle**. Whilst not immune from the short-term disruptions we believe the core ingredients business has scope to become much more highly valued over time.

Three companies were sold from the portfolio. A meaningful profit was taken in Galliford Try after the sale of its housebuilding business in January. The sales of TI Fluid Systems and Superdry were less happy tales and we took painful losses in both as it became clear that they faced major demand challenges in their markets for some time to come.

TB SARACEN UK INCOME FUND, INVESTMENT REVIEW (CONTINUED)

The asset allocations at the period end date are shown below:

Sector	Asset allocation as at 30 June 2020 (%)	Asset allocation as at 31 December 2019 (%)
Automobiles & Components	-	2.3
Banks	3.0	4.4
Chemicals	5.4	3.8
Construction Materials	3.9	4.7
Financial Services	15.4	8.8
Food Producers	1.6	-
General Financial	4.0	3.8
General Industrials	5.1	4.4
General Retailers	3.1	4.4
House, Leisure & Personal Goods	6.9	8.1
Life Insurance	9.4	7.4
Media	5.9	6.1
Mining	9.2	5.8
Oil & Gas Producers	5.4	4.8
Real Estate	5.4	9.5
Support Services	11.1	9.1
Tobacco	4.7	4.2
Transportation	2.5	2.4
Cash and Other	(2.0)	6.0
Total	100.0	100.0

The full list of holdings at the period end is shown in the Portfolio Statement on pages 44 to 47.

Income

As a result of COVID19 we have seen unprecedented levels of dividends being cancelled during the period, particularly during March and April, which are traditionally major months for dividend receipts. As a result the interim dividend for the Fund fell by 60% to 1.0p per income share for the six months to 30th June. There remains significant uncertainty regarding the timing and extent of recovery in dividend payments. Having reviewed the portfolio in great detail we are guiding shareholders towards a fall of 50% in overall fund income for 2020. Whilst this is a disappointing outcome we would prefer to err on the side of caution and we would hope to see scope for meaningful recovery during 2021. To put this into context we would expect overall levels of income from UK companies to fall by 30-40% in 2020

Outlook

After a strong year in 2019 the first six months of 2020 have been very challenging and the portfolio was not positioned well for the significant disruption that the COVID19 pandemic brought to global markets.

Our value-led style and high exposure to mid and smallcap companies has been detrimental during the selloff in markets. In addition, we have seen huge numbers of companies cancelling or deferring dividends and 2020 is likely to go down in history as a very challenging year for both capital and income returns.

Whilst it is difficult to provide clarity at this stage, but we hope to see some degree of normality return during the second half of 2020. The UK equity market remains hugely out of favour with investors the world over and there are potentially some very significant valuation gaps emerging relative to other more favoured markets and sectors.

We see great scope for the Fund to continue the initial recovery seen during the second quarter given the low levels of valuation in the portfolio. The ongoing challenges are clear but our immediate focus is to continue to rebuild capital ahead of a meaningful improvement in income during 2021. We shall remain focussed but open minded in our approach and we believe that our flexible, 'multi-cap' approach will serve the Fund and our investors well over the longer term.

Scott McKenzie
Investment Director
Saracen Fund Managers Limited
Edinburgh, United Kingdom
24 August 2020

TB SARACEN UK INCOME FUND, PORTFOLIO STATEMENT
As at 30 June 2020

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Banks		
(3.0%; 31.12.19 - 4.4%)		
310,000 Lloyds Banking Group	96,720	3.0
	96,720	3.0
Chemicals		
(5.4%; 31.12.19 - 3.8%)		
3,200 Johnson Matthey	67,104	2.1
38,250 Synthomer	106,411	3.3
	173,515	5.4
Construction Materials		
(3.9%; 31.12.19 - 4.7%)		
38,000 Eurocell	60,800	1.9
33,000 Tyman	62,568	2.0
	123,368	3.9
Financial Services		
(15.4%; 31.12.19 - 8.8%)		
110,000 FRP Advisory	134,200	4.2
9,000 Intermediate Capital Group	115,920	3.6
42,000 Jupiter Fund Management	107,604	3.4
50,000 Standard Life Aberdeen	133,800	4.2
	491,524	15.4

TB SARACEN UK INCOME FUND, PORTFOLIO STATEMENT (CONTINUED)

As at 30 June 2020

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Food Producers		
(1.6%; 31.12.19 - 0.0%)		
7,500 Tate & Lyle	50,070	1.6
	50,070	1.6
General Financial		
(4.0%; 31.12.19 - 3.8%)		
11,500 Close Brothers Group	127,075	4.0
	127,075	4.0
General Industrials		
(5.1%; 31.12.19 - 4.4%)		
50,000 DS Smith	164,100	5.1
	164,100	5.1
General Retailers		
(3.1%; 31.12.19 - 4.4%)		
30,000 DFS Furniture	49,440	1.5
33,000 Halfords	50,028	1.6
	99,468	3.1
House, Leisure & Personal Goods		
(6.9%; 31.12.19 - 8.1%)		
28,000 Headlam Group	76,160	2.4
20,000 Vistry	142,100	4.5
	218,260	6.9
Life Insurance		
(9.4%; 31.12.19 - 7.4%)		
41,042 Aviva	112,291	3.5
29,000 Phoenix	186,760	5.9
	299,051	9.4

TB SARACEN UK INCOME FUND, PORTFOLIO STATEMENT (CONTINUED)

 As at 30 June 2020

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Media		
(5.9%; 31.12.19 - 6.1%)		
32,000 STV Group	72,960	2.3
18,000 WPP	113,472	3.6
	186,432	5.9
Mining		
(9.2%; 31.12.19 - 5.8%)		
8,200 BHP Group	135,644	4.2
3,500 Rio Tinto	159,198	5.0
	294,842	9.2
Oil & Gas Producers		
(5.4%; 31.12.19 - 4.8%)		
37,000 John Wood	71,669	2.2
8,250 Royal Dutch Shell	100,980	3.2
	172,649	5.4
Real Estate		
(5.4%; 31.12.19 - 9.5%)		
80,000 Newriver REIT	50,240	1.6
42,000 Palace Capital	70,560	2.2
68,000 U & I	52,496	1.6
	173,296	5.4
Support Services		
(11.1%; 31.12.19 - 9.1%)		
63,000 Alpha Financial Markets Consulting	113,400	3.5
8,000 Euromoney Institutional Investor	62,800	2.0
85,000 Gateley Holdings	108,800	3.4
11,500 Paypoint	68,885	2.2
	353,885	11.1

TB SARACEN UK INCOME FUND, PORTFOLIO STATEMENT (CONTINUED)As at 30 June 2020

Holding or nominal value of positions	Bid market value £	Percentage of total net assets %
Tobacco (4.7%; 31.12.19 - 4.2%)		
9,800 Imperial Brands	150,773	4.7
	<hr/> 150,773 <hr/>	<hr/> 4.7 <hr/>
Transportation (2.5%; 31.12.19 - 2.4%)		
42,000 National Express Group	78,456	2.5
	<hr/> 78,456 <hr/>	<hr/> 2.5 <hr/>
Portfolio of investments	3,253,484	102.0
Net other assets	(63,163)	-2.0
Total net assets	<hr/> 3,190,321 <hr/>	<hr/> 100.0 <hr/>

All holdings are in equities listed on recognised stock exchanges.

'Automobiles & Components' sector disinvested since the beginning of the period (31 December 2019: 2.3%)

TB SARACEN UK INCOME FUND, SUMMARY OF FUND PERFORMANCE

B Accumulation Shares	1 Jan 2020 to 30 Jun 2020	1 Jan 2019 to 31 Dec 2019	1 Jan 2018 to 31 Dec 2018	1 Jan 2017 to 31 Dec 2017
	(Pence per Share)	(Pence per Share)	(Pence per Share)	(Pence per Share)
Change in net assets per share				
Opening net asset value per share	140.48	111.09	122.21	103.59
Return before operating charges*	(40.35)	31.22	(9.42)	20.55
Operating charges	(0.78)	(1.83)	(1.70)	(1.93)
Return after operating charges*	(41.13)	29.39	(11.12)	18.62
Distributions	(1.29)	(6.90)	(6.04)	(5.29)
Retained distributions on accumulation shares	1.29	6.90	6.04	5.29
Closing net asset value per share	99.35	140.48	111.09	122.21
* after direct transaction costs of:	0.23	0.31	0.31	0.33
Performance				
Return after charges	(29.28)%	26.46%	(9.10)%	17.97%
Other information				
Closing net asset value	£1,920,837	£2,373,178	£1,659,037	£1,741,712
Closing number of shares	1,933,451	1,689,391	1,493,387	1,425,209
Operating charges (p.a)	1.44%	1.48%	1.38%	1.68%
Direct transaction costs (p.a)	0.42%	0.25%	0.25%	0.29%
Prices				
Highest published share price	141.58	141.26	132.73	122.52
Lowest published share price	76.27	110.87	109.86	102.95

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 Jan 2020 to 30 Jun 2020	1 Jan 2019 to 31 Dec 2019	1 Jan 2018 to 31 Dec 2018	1 Jan 2017 to 31 Dec 2017
	(Pence per Share) (Pence per Share) (Pence per Share) (Pence per Share)			
Change in net assets per share				
Opening net asset value per share	110.52	92.36	107.16	95.37
Return before operating charges*	(31.92)	25.33	(8.08)	18.35
Operating charges	(0.61)	(1.50)	(1.48)	(1.76)
Return after operating charges*	(32.53)	23.83	(9.56)	16.59
Distributions on income shares	(1.00)	(5.67)	(5.24)	(4.80)
Closing net asset value per share	76.99	110.52	92.36	107.16
* after direct transaction costs of:	0.18	0.25	0.27	0.30
Performance				
Return after charges	(29.43)%	25.80%	(8.92)%	17.40%
Other information				
Closing net asset value	£1,269,484	£1,154,509	£1,340,312	£1,381,468
Closing number of shares	1,648,943	1,044,575	1,451,219	1,289,111
Operating charges (p.a.)	1.44%	1.48%	1.38%	1.68%
Direct transaction costs (p.a.)	0.42%	0.25%	0.25%	0.29%
Prices				
Highest published share price	111.35	114.33	116.26	109.96
Lowest published share price	59.96	92.19	94.14	94.75

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 RETURN

For the six-month period ended 30 June 2020

	£	30.06.20 £	30.06.19 £
Income			
Net capital (losses)/gains		(1,247,429)	313,467
Revenue	41,197		92,585
Expenses	(23,599)		(21,793)
Interest payable and similar charges	-		(6)
Net revenue before taxation	17,598		70,786
Taxation	-		-
Net revenue after taxation	-	17,598	70,786
Total (loss)/return before distributions		(1,229,831)	384,253
Distributions		(39,544)	(80,272)
Change in net assets attributable to shareholders from investment activities		(1,269,375)	303,981

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six-month period ended 30 June 2020

	£	30.06.20 £	30.06.19 £
Opening net assets attributable to shareholders		3,527,687	2,999,349
<i>Movements due to sales and repurchases of shares:</i>			
Amounts receivable on issue of shares	1,161,804		305,670
Amounts payable on cancellation of shares	(254,728)		(306,938)
		907,076	(1,268)
Change in net assets attributable to shareholders from investment activities		(1,269,375)	303,981
Retained distributions on accumulation shares		24,933	47,602
Closing net assets attributable to shareholders		3,190,321	3,349,664

TB SARACEN UK INCOME FUND, BALANCE SHEETAs at 30 June 2020

	30.06.20	31.12.19
	£	£
Assets:		
Fixed Assets:		
Investments	3,253,484	3,316,359
Current Assets:		
Debtors	5,395	28,147
Cash and bank balances	58,675	229,472
Total assets	<u>3,317,554</u>	<u>3,573,978</u>
Liabilities:		
Creditors:		
Distribution payable on income shares	16,489	33,082
Other creditors	110,744	13,209
Total liabilities	<u>127,233</u>	<u>46,291</u>
Net assets attributable to shareholders	<u>3,190,321</u>	<u>3,527,687</u>

Accounting policies

The financial statements have been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 31 December 2019.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) 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.

TB SARACEN UK INCOME FUND, DISTRIBUTION TABLEFor the six-month period ended 30 June 2020

Interim Distribution (30 June 2020)

Group 1 - Shares purchased on or prior to 31 December 2019

Group 2 - Shares purchased after 31 December 2019

Shares	Revenue	Equalisation ¹	Paid/Accumulated	Paid/Accumulated
	(pence)	(pence)	31.08.20 (pence)	31.08.19 (pence)
B Distribution				
Group 1	1.0000	-	1.0000	2.5000
Group 2	0.6857	0.3143	1.0000	2.5000
B Accumulation				
Group 1	1.2895	-	1.2895	3.0084
Group 2	0.7130	0.5765	1.2895	3.0084

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

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Website: www.tbaileyfs.co.uk

Authorised and regulated by the Financial Conduct Authority.

Directors of the ACD

Mr M Hughes
Mr G M Padbury
Mrs R E Elliott
Mrs H C Stevens (Resigned 30 April 2020)
Mrs A E Troup (Non-Executive)
Mr A Kerneis (Non-Executive)

Investment Manager

Saracen Fund Managers Limited
19 Rutland Square
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Tel: 0131 202 9100
Website: www.saracenfundmanagers.com

Authorised and regulated by the Financial Conduct Authority.

Depository

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

Registrar and Share Dealing

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Tel: 0115 988 8200
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Authorised and regulated by the Financial Conduct Authority.

Auditor

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