

Saracen Investment Funds ICVC

Saracen Growth Fund

Saracen Global Income and Growth Fund

Simplified Prospectus

11 July 2011

Saracen Investment Funds ICVC (the Company) is an open-ended investment company (OEIC) with variable capital which has been incorporated under the Open-Ended Investment Companies Regulations 2001 in the United Kingdom and was authorised by the Financial Services Authority (FSA) on 19 January 1999. It is structured as an umbrella company.

The information set out below is the Simplified Prospectus which contains key information regarding the Company, Saracen Growth Fund (SGF) and Saracen Global Income and Growth Fund (SGIG).

WHAT IS THE STRUCTURE OF THE COMPANY?

The Company was incorporated in Scotland on 19 January 1999, under registered number SI000005 and authorised with effect from 19 January 1999 by the FSA. The Company is an umbrella company (under the ICVC Regulations) and has the following sub-funds: Saracen Growth Fund and Saracen Global Income and Growth Fund. (the Funds)

If you invest in the Company your contractual relationship will be with the Company. The Simplified Prospectus and the main prospectus (Principal Prospectus) relating to the Company constitute the terms of your investment. You should therefore read the Simplified Prospectus in full and ensure that you retain it. Copies of the Principal Prospectus are available from the Authorised Corporate Director (ACD) on request, free of charge either before or after the conclusion of the contract.

HOW DOES AN OEIC WORK?

You receive shares in the OEIC in exchange for the capital you invest. Each share represents an equal proportion of the assets of the OEIC. Your capital is used to purchase new assets. Over time, securities are bought and sold in the OEIC, aiming to secure for you and other shareholders the maximum return in the form of income and/or capital growth, depending on the investment objective and policy adopted by such fund. By investing your capital in a range of securities in this way, you can participate in a wide spread of investments regardless of the size of your investment. A Depositary has control of all of the investments held by an OEIC. The Depositary must act solely in the interests of the OEIC's shareholders, and also has responsibility for supervising certain activities of the ACD in accordance with the Financial Services and Markets Act 2000. The shareholders of the OEIC will not be liable for the debts of the OEIC. A shareholder is not liable to make any further payments after the price on the purchase of the shares has been paid.

WHO IS THE COMPETENT REGULATORY AUTHORITY?

The FSA is the competent authority for investment funds authorised in the United Kingdom including the Company. The FSA can be contacted in writing at 25 The North Colonnade, Canary Wharf, London, E14 5HS. The FSA's website is www.fsa.gov.uk/consumer and the consumer helpline is 0845 606 1234.

WHO IS THE ACD?

The ACD of the Company is Saracen Fund Managers Ltd (SFM), whose operating and registered address is 19 Rutland Square, Edinburgh, EH1 2BB. SFM is authorised and regulated by the FSA. SFM is registered on the FSA's Register with the number 188536.

WHO IS THE DEPOSITARY?

The Depositary is BNY Mellon Trust and Depositary Company Limited (BNYMTD), whose registered and head office is 160 Queen Victoria Street, London, EC4V 4LA. BNYMTD is authorised and regulated by the FSA. BNYMTD is registered on the FSA's Register with number 188432. The Depositary is a subsidiary of The Bank of New York Mellon, incorporated in New York.

WHO IS THE AUDITOR?

Deloitte LLP is the Auditor, whose operating address is Lomond House, 9 George Square, Glasgow, G2 1QQ. Deloitte LLP is authorised and regulated by the FSA and is registered on the FSA's Register with the number 213218.

WHAT IS THE INVESTMENT OBJECTIVE AND POLICY OF SGF?

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

Not more than 10% of SGF's assets can be invested in aggregate in units of other UCITS Schemes (as defined for the purposes of the FSA Rules) or other collective investment undertakings.

The ACD will employ a value based approach, using both quantitative and qualitative techniques to achieve the above objective. Risk will be carefully controlled through diversification and rigorous analysis. In addition to the objective of maximising returns, the ACD will also seek to protect the capital of investors in SGF.

SGF would be a "UCITS Scheme" if it were itself an open-ended investment company in respect of which an authorisation order made by the FSA were in force.

The performance benchmark against which the performance of SGF is measured is the total return index of the FTSE All Share. The base currency of this Company is pounds sterling.

WHAT IS THE INVESTMENT OBJECTIVE AND POLICY OF SGIG?

The investment objective of SGIG is to provide a long-term total return, through investing in a portfolio of global equity securities. There is an explicit recognition that income is an important factor for many investors and a significant contributor to long-term investment returns. The objective of SGIG is to provide Accumulation Shares and Distribution Shares with the aim of providing a degree of income to investors together with the aim of building capital. To meet this objective, the ACD will carefully select and invest in a diversified portfolio of primarily overseas securities which provide the potential for income and long - term growth. These securities will be chosen from certain overseas markets, including the United Kingdom and may comprise equity and fixed interest securities, or otherwise as permitted by the FSA Rules. The number of securities held within the portfolio may be restricted if this is deemed to be necessary at the discretion of the ACD. SGIG may also invest in cash and near cash, deposits and collective investment schemes. In addition to maximising returns, the ACD will also seek to protect the capital of investors.

Not more than 10% of SGIG's assets can be invested in aggregate in units of other UCITS Schemes (as defined for the purposes of the FSA Rules) or other collective investment undertakings.

The ACD will employ a value based approach, using both quantitative and qualitative techniques to achieve the above objective. Risk will be carefully controlled through diversification and rigorous analysis.

SGIG is a "UCITS Scheme" if it were itself an open-ended investment company in respect of which an authorisation order made by the FSA were in force.

WHAT SHARES ARE AVAILABLE FOR INVESTMENT?

An **Accumulation Share** is a Share in respect of which the income allocated after the date of issue thereof is to be accumulated. No cash distributions are made and no additional Shares are issued. Instead, the income that would be otherwise available for distribution is re-invested and the re-investment reflected in the price of the Accumulation Share. SGF offers two classes of Accumulation Shares - Alpha Shares and Beta Shares - each of which are issued on a net basis meaning that income (net of any tax deducted or accounted for by the Company) is allocated periodically to capital in accordance with the COLL Sourcebook. SGIG offers **Accumulation and Distribution Shares**. Accumulation shares are issued on a net basis meaning that the income (net of any tax deducted or accounted for by the Company) is allocated periodically to capital in accordance with the COLL Sourcebook, and Distribution shares, where income is distributed to shareholders by way of an interim and final dividend each year. The Company also has the ability to issue shares on a gross basis (meaning that no tax is so deducted) but no such Shares are currently on offer. The SGF Shares differ in their charging structures and levels of minimum shareholdings.

WHAT ARE THE RISKS OF INVESTING IN THE COMPANY?

Investors should bear in mind that all investment carries risk and in particular should be aware of the following:

- a) **Market Risk:** The value of your invested capital may go down as well as up and as a result you may not get back what you originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. For example, there may be the risk that an entire market of an asset class will decline thus affecting the prices and values of the assets. Past performance is not a guide to the future. There is no assurance that investment objectives will actually be achieved. In addition in some circumstances you have a right to cancel (see “May I change my mind after I have invested?”). Where you do cancel, you will not get back the full amount invested if the share price has fallen before we are aware of your wish to cancel the contract.
- b) **Performance Risk:** There is no guarantee of the performance of your investment.
- c) **Liquidity Risk:** Depending on the types of assets that SGF invests in, there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price. This will usually occur where SGF has invested in shares in smaller companies or in emerging markets for example, where the shares are traded less frequently.
- d) **Credit Risk:** SGF may be subject to the risk that an issuer or a counterparty will default.
- e) **Settlement Risk:** SGF may be subject to the risk that a settlement in a transfer system does not take place as expected because a counterparty does not pay or deliver on time as expected.
- f) **Exchange or Currency Risk:** Due to investments overseas, currency fluctuations may adversely affect the value of your investment.
- g) **Concentration Risk:** Where SGF invests in a concentrated portfolio of assets, short-term volatility could be relatively high which means that should a particular investment decline in value or be adversely affected, it may have a more pronounced effect than within a fund with a larger number of investments.
- h) **Capital Risk:** Charges and expenses attributable to SGF may be treated as capital charges and accordingly the imposition of such charges may constrain the capital growth of SGF.
- i) **Taxation Risk:** The levels of relief from taxation will depend upon individual circumstances. Please note current tax levels and reliefs may change and their value will depend on the investor’s individual circumstances.

- j) **Hedging Risk:** In certain circumstances, for efficient portfolio purposes to reduce or to eliminate risk arising from fluctuations in interest or exchange rates and the price of investment, the ACD may enter into certain derivative transactions, including, without limitations, forward transactions, futures and options. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain fund assets. There is also the potential for capital appreciation of such assets. Currently the ACD does not intend to enter into derivative transactions.
- k) **Custody Risk:** SGF may be subject to the risk of loss of assets held in custody that could result from the insolvency, negligence or fraudulent action of the Custodian or of a Sub-Custodian.

All of the risks mentioned in this Simplified Prospectus can be found in the Principal Prospectus which is available on request.

WHO ARE THE FUNDS DESIGNED FOR?

Profile of a Typical Investor – SGF – Alpha Shares

Alpha Shares in SGF are suitable for investors who see funds as a convenient way of participating in capital market developments. They are also suitable for the more experienced investors wishing to attain defined investment objectives. Investors must have experience with volatile products. Investors must be able to accept significant temporary losses, thus the Alpha Shares in SGF are suitable for investors who can afford to set aside their capital for at least 5 years. Alpha Shares in the SGF are designed for the investment objective of building up capital.

Profile of a Typical Investor – SGF – Beta Shares

Beta Shares in SGF are suitable for investors who see funds as a convenient way of participating in capital market developments. They are also suitable for experienced investors wishing to attain defined investment objectives. Investors must have experience with volatile products. Investors must be able to accept significant temporary losses, thus the Beta Shares in SGF are suitable for investors who can afford to set aside their capital for at least 5 years, Beta Shares in the SGF are designed for the investment objective of building up capital.

Profile of a Typical Investor- SGIG Shares

Accumulation Shares and Distribution Shares in SGIG are suitable for professional investors who see funds as a convenient way of participating in capital market developments and for investors who require a degree of income. They are also suitable for more experienced investors wishing to attain defined investment objectives, including a degree of income. Investors must have experience with volatile products. Investors must be able to accept significant temporary losses, thus SGIG is suitable for investors who can afford to set aside their capital for at least 5

years. Accumulation Shares and Distribution Shares in SGIG are designed for the investment objective of providing a degree of income but also for those investors seeking to build up capital.

HOW DO I INVEST?

Applications for SGF and SGIG Shares may be made by completing an application form and this should be sent to your financial adviser or directly to the Administrator at Block 5, Harcourt Centre, Harcourt Road, Dublin 2. The completed application form may initially be sent by facsimile to 0035316475830 or by email (containing a scanned copy of the completed and signed application form) to DaiwaSHSDealing@daiwagas.com, with the original application form to follow promptly by post.

Requests to buy or redeem shares in a fund received after 3 p.m. (United Kingdom time) on any Dealing Day will be executed on the next Dealing Day.

Payment in respect of the issue of Shares must be made within T+3 Business Days of the relevant Dealing Day, (the "Settlement Date") unless the ACD, in its absolute discretion determines otherwise, by telegraphic transfer (net of handling charges and fees) in cleared funds in the currency denomination of the relevant Share.

Application forms may be obtained from the Administrator at the above address or from Saracen Fund Managers Ltd, at 19 Rutland Square, Edinburgh, EH1 2BB19 Rutland Square, Edinburgh, EH1 2BB (Tel :0131 202 9100).

ARE THERE ANY MINIMUM INVESTMENT REQUIREMENTS?

The minimum initial value of Alpha Shares of SGF in which a person may invest is £1,000 and thereafter £250, and in the case of the Beta Shares of SGF, a minimum initial value of £250,000 and £10,000 thereafter.

The minimum value of SGIG Shares in which a person may invest is £1,000.

Redemption requests may be for a minimum value of £250 of the Alpha Shares, £10,000 of the Beta Shares and £1000 of SGIG Shares unless the ACD is requested to redeem all of such Shares held by a Shareholder. If by a requested redemption the resultant shareholding of a Shareholder of Alpha Shares would be valued at less than £1,000 or the resultant Shareholding of Beta Shares would be valued at less than £250,000, then all of the Shares of the relevant class held by that Shareholder in SGF may, at the discretion of the ACD, be required to be redeemed. Furthermore, in the case of the Beta Shares, if the value of the shareholding falls below the minimum of £250,000, the ACD has the right to redeem the Beta Shares and to reinvest the net proceeds after all expenses (if any) in the Alpha Shares. If by a requested redemption the resultant shareholding of SGIG shares would be valued at less than £1,000, then all of the Shares in SGIG held by that Shareholder may, at the discretion of the ACD, be required to be redeemed.

You can sell your shares on any normal business day.

CAN I MAKE REGULAR SAVINGS?

We do not currently offer a regular savings plan.

CAN I HOLD THE FUND WITHIN AN ISA ?

The shares are eligible to be included in an Individual Savings Account.

MAY I CHANGE MY MIND AFTER I HAVE INVESTED?

If you have bought shares through your financial adviser, we will send to you a Cancellation Notice which will give you the right to cancel your instructions at any time during the 14 days after you receive it. If you decide to cancel, and the value of your investment has fallen, you will not get back all of your money. We will only refund your investment less an amount equal to any fall in value of your investment. Please note that if you invest directly, or if your financial adviser advises us that your investment is on an execution only basis, you will have no cancellation rights.

WHAT HAPPENS IF I CHANGE MY MIND?

If you exercise your right to cancel you will not have to pay any charges. If the share price has fallen since you invested you will not get back all of your money.

HOW MUCH WILL ANY ADVICE COST?

If you wish to receive the advice of a financial adviser, they will give you details of the costs of their advice.

HOW IS MY INVESTMENT VALUED?

Shares in SGF and SGIG are priced on a single 'mid-market' basis in accordance with the relevant rules of the FSA. This means that there is a single price which applies regardless of whether you are buying or selling. However, there are costs such as an annual management charge which you pay on investing in the Funds, and (in certain circumstances) the dilution levy. The price of a share is calculated by dividing the net asset value (which generally constitutes assets minus liabilities) in SGF or SGIG by the number of shares in SGF or SGIG respectively.

IS THERE AN INITIAL CHARGE?

There is an initial charge of 5.0% for Alpha and up to 5.0% for Beta shares, which is deducted from the amount you have provided for investment. There is no Initial Charge for shares in SGIG.

IS THERE AN ANNUAL MANAGEMENT CHARGE?

The annual management charge of 1.5% applies to the SGF Alpha shares, 1.0% to the SGF Beta shares and 0.75% to the SGIG Shares and is made to cover the day-to-day expenses of managing the Funds. The ACD pays a number of expenses and costs of the Funds relating to, for example, accounting and administration fees for calculation of the daily price.

ARE THERE OTHER CHARGES AND EXPENSES?

There are additional charges covering administrative fees and expenses of the Funds such as the fees paid to the Depositary, Custodian, Auditors and the FSA, together with VAT, where applicable (see the Principal Prospectus for further details of charges and expenses). SGF and SGIG may also pay dealing commissions on underlying purchase and sale transactions, which are not included in this section. These charges are considered not to be material.

IS THERE A DILUTION LEVY?

To mitigate the effects of dilution the ACD has discretion to charge a dilution levy on the redemption of shares in SGF or SGIG. A dilution levy is a separate charge of such amount or rate as is determined by the ACD for the purposes of offsetting or reducing the effect of a dilution in the value of SGF or SGIG.

The ACD's policy will be not to charge a dilution levy other than (a) where a fund is in continual decline, (b) on a Fund experiencing large levels of net sales or purchases relative to its size, (c) on large deals (defined as any transaction or series of transactions in any one dealing period at a total value of £50,000 or more), (d) in any other instance at the discretion of the ACD where it is of the opinion that the interests of Shareholders require the imposition of a dilution levy. In most circumstances, the need to charge a dilution levy will depend upon, inter alia, the volume of sales or redemptions.

This amount is not retained by the ACD but is paid into the relevant sub-Fund. On the occasions when the dilution levy is not applied there may be an adverse impact on the total assets of the Funds. As dilution is directly related to the inflows and outflows of monies from the scheme it is not possible to predict with any accuracy whether dilution will occur at any future point in time. Consequently it is also not possible to predict with any accuracy how frequently the ACD will need to make such a dilution levy.

HOW DO THE CHARGES AND EXPENSES AFFECT MY INVESTMENT?

The following tables show the possible effect of these fees and expenses on investments of £1,000 in the Alpha shares and £250,000 in the Beta shares of SGF, assuming an initial charge of 5.0%, an annual management charge of 1.5% in Alpha shares and 1.0% in Beta shares deducted from income, other attributed expenses amount to 0.28% per annum (see TER figures on page 14) and a growth rate of 6.0% per annum for shares held outside an ISA. The table for SGIG shows the possible effects of fees and expenses on an investment of £1000.00 and is based on an initial

charge of 0.0%, an annual management charge of 0.75% and an estimated TER of 0.9% and a growth rate of 6% per annum for shares held outside an ISA.

You should note that:

- These figures are only examples; they are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment. What you will get back depends on how your investments grow.
- The costs of dealing in the underlying investments are not included.
- All investment managers use the same rate of growth for illustrations but their charges vary.
- Do not forget that inflation would reduce what you could buy in the future with the amount shown.
- The tables do not take account of any discounts you may receive (where relevant) in respect of the initial charge when purchasing shares.
- The initial charge is added to the price of shares upon purchase.
- The actual return you experience may be more, or less, and will vary from year to year.

**Saracen Growth Fund
Alpha Shares (Accumulation)**

| | | Effect of | What you |
|----------------|-------------------|------------------|------------------|
| At end | Investment | deduction | might get |
| of year | to date | to date £ | back £ |
| 1 | 1,000 | 67 | 989 |
| 3 | | 103 | 1072 |
| 5 | | 141 | 1162 |
| 10 | | 253 | 1423 |

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £253 in respect of Accumulation Alpha shares. Putting it another way, this would have the same effect as bringing investment growth from 6.00% a year down to 4.15% a year in respect of the Alpha shares.

**Saracen Growth Fund
Beta Shares (Accumulation)**

| | | Effect of | What you |
|----------------|-------------------|------------------|------------------|
| At end | Investment | deduction | might get |
| of year | to date | to date £ | back £ |
| | | | |
| 1 | 250,000 | 15540 | 248528 |
| 3 | | 22050 | 272142 |
| 5 | | 29179 | 298002 |
| 10 | | 50106 | 373916 |

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £50106 in respect of Accumulation Beta shares. Putting it another way, this would have the same effect as bringing investment growth from 6.00% a year down to 4.24% a year in respect of the Beta shares.

**Saracen Global Income and Growth
Accumulation Shares**

| | | Effect of | What you |
|----------------|-------------------|------------------|------------------|
| At end | Investment | deduction | might get |
| of year | to date | to date £ | back £ |
| | | | |
| 1 | 1000 | 9 | 1050 |
| 3 | | 28 | 1159 |
| 5 | | 50 | 1279 |
| 10 | | 113 | 1636 |

The last line of the table shows that over 10 years the effect of total charges and expenses could amount to £113 in respect of Accumulation shares. Putting it another way, this would have the same effect as bringing investment growth from 6.00% a year down to 5.1% a year in respect of the SGIG shares.

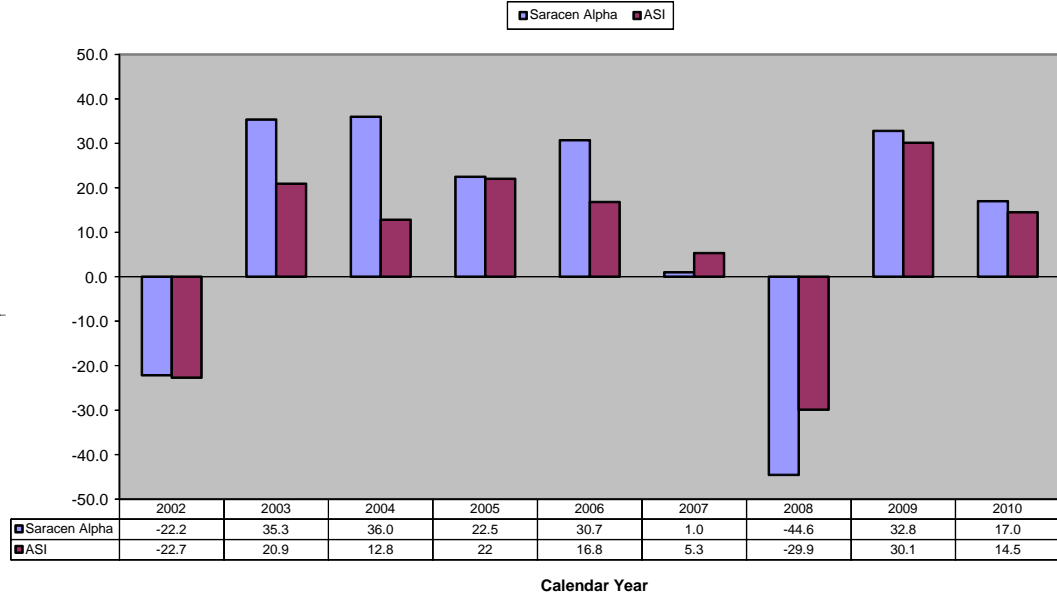
WHAT DO THE DEDUCTIONS REFERRED TO IN THE ABOVE ILLUSTRATIONS REPRESENT?

They cover the costs of investment management, administration and the costs charged by other service providers, such as the Depositary and Custodian.

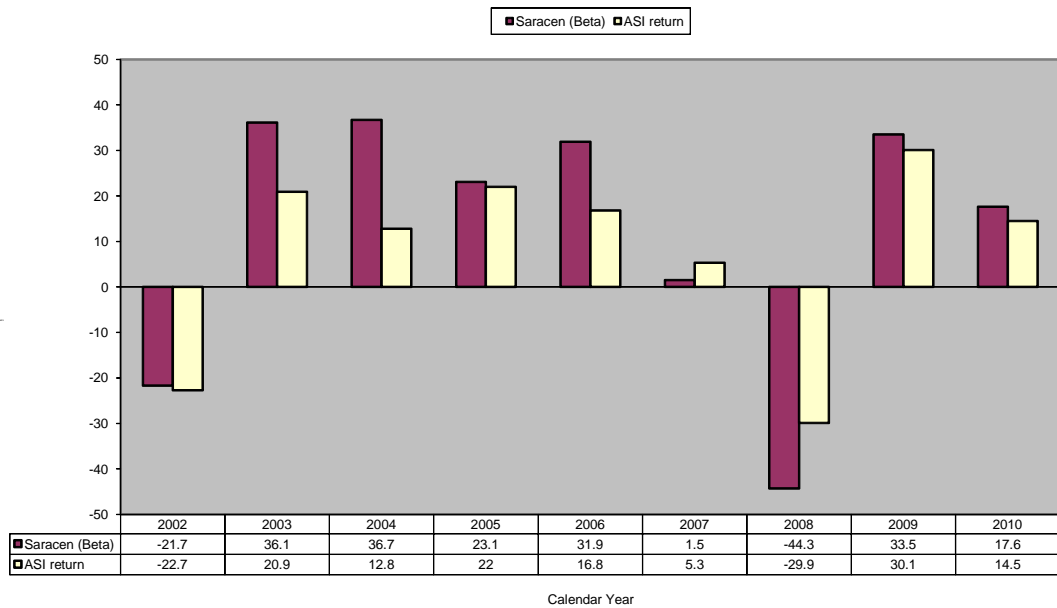
HOW HAS THE COMPANY PERFORMED PREVIOUSLY?

Discrete calendar year performance total return %

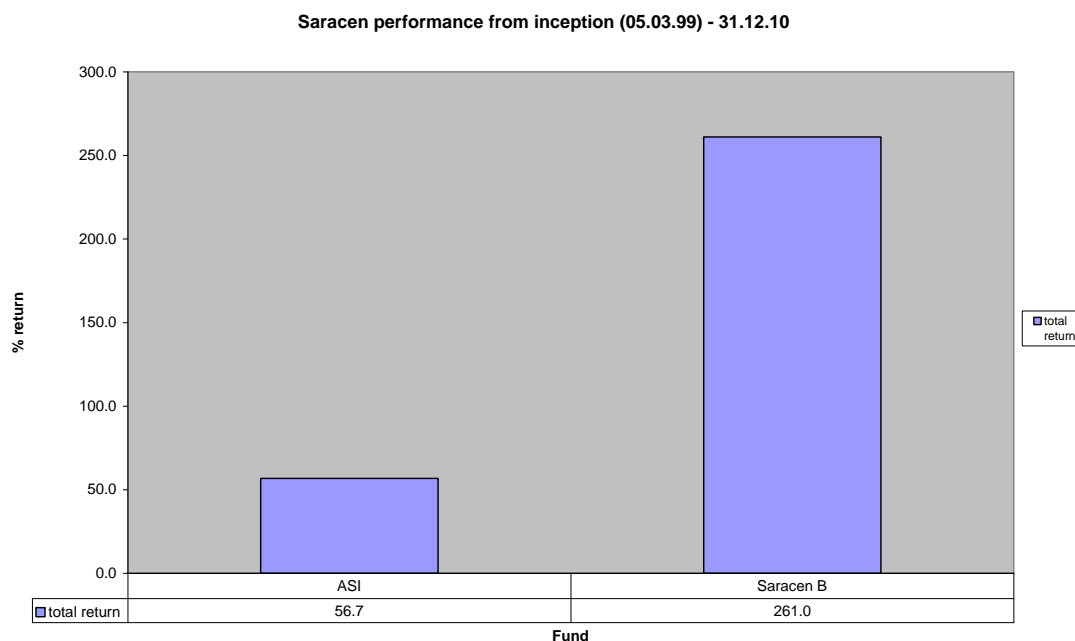
Performance: SGF vs FTSE All Share Index



Performance: SGF vs FTSE All Share Index



Since launch cumulative performance total return %



Source : SGF Audited Report & Accounts to 31 December 2010
 Based on the FTSE All Share Index on 5 March 1999.
 SGF was launched on 19 February 1999 and first traded on 8 March 1999.
 The Alpha share price is a notional one, which reflects the potential position of the Alpha shares had they been created at the same time as the Beta shares on 15 March 1999.

You should be aware that past performance information does not include the effect of initial charges and is calculated net of tax. Past performance is not a guide to the future.

WHAT IS THE PORTFOLIO TURNOVER RATE (PTR) AND HOW DOES IT AFFECT MY INVESTMENT?

The PTR reflects the volume of dealing within SGF and is calculated on an annual basis. The more the ACD buys and sells stocks and shares the higher the PTR is likely to be, this may result in higher costs to SGF, but may also mean that the ACD is actively managing the assets in line with SGF's stated objectives. The PTR for the audited financial year ended 31 December 2010 is set out below in relation to SGF.

$$\frac{(Purchase\ of\ securities\ +\ Sale\ of\ securities) - (Subscription\ of\ shares\ +\ Redemption\ of\ shares)}{(Average\ fund\ value\ over\ 12\ months\ x\ 100)} \quad \text{Expressed as a \%}$$

The PTR for SGF is 40.9%.

ARE THERE ANY OTHER EXPENSES AND CHARGES?

In addition to the annual management charge and dealing costs, the Company may pay other additional expenses.

The Total Expense Ratio (TER) is the sum of the annual management charge and any other operating charges and estimated probable expenses, not including transaction costs. The additional expenses include Depositary and custody fees, fees for registration, regulation and audit. The TER information is intended to help you compare the annual operating expenses of the Funds with other schemes. The TER for SGIG is an estimate based on projections of fund size and probable expenses.

SGF's TER based on the last audited accounts for the year to 31 December 2010 is shown below:

| | | |
|--------------|---|-------|
| Alpha shares | - | 1.78% |
| Beta shares | - | 1.28% |
| SGIG shares | - | 0.90% |

Prior year TER information is available from the ACD.

WHEN WILL INCOME BE ALLOCATED?

Allocations of income will be made on 31 March each year.

HOW WILL INCOME BE DEALT WITH?

SGF and SGIG offer accumulation shares, therefore, income will not be distributed but the capital element of the share price will increase to reflect the income you would have received. Shareholders of SGIG Distribution shares will receive a dividend semi-annually, paid in September and March.

WHAT CONFIRMATION WILL I RECEIVE?

Certificates for shares are not issued to shareholders, but a contract note will be sent out not later than the end of the business day following the valuation point by reference to which your purchase has been undertaken (following receipt of your duly completed application). Ownership of Shares will be evidenced by an entry on the SGF and SGIG Register of Shareholders.

HOW DO I FIND OUT THE PRICE AT WHICH I WILL BUY OR SELL SHARES WHEN I PLACE MY DEAL?

The most recent price of Shares will appear daily in the Financial Times, and may also be published in one or more United Kingdom newspapers. In addition, the price of Shares will also be available on <http://www.daiwagas.com/fund-prices/current> and via www.saracenfundmanagers.com. Neither the Company nor the ACD are responsible for any errors in publication or for non-publication. Such prices should be used as a guide only since by the time the price is published, it may not still be in use. The ACD issues and redeems Shares on a forward pricing basis, not on the basis of the published prices.

HOW DO I SELL MY SHARES AND HOW QUICKLY WILL I RECEIVE THE PROCEEDS?

Requests to redeem SGF and SGIG Shares may be made to the Administrator by email (containing a scanned copy of the completed and signed redemption request form) to DaiwaSHSDealing@daiwagas.com or by facsimile (on 0035316475830) or in writing to the Administrator at Block 5, Harcourt Centre, Harcourt Road, Dublin 2.. The redemption request form may be obtained from the Administrator. We will send to you the proceeds of your sale no later than four business days after receiving your instructions and the necessary documentation.

HOW DO I MONITOR MY INVESTMENT?

SGF and SGIG share prices and yields can be found in the Financial Times. The prices will be posted on <http://www.daiwagas.com/fund-prices/current> and www.saracenfundmanagers.com You will also be sent a Report and Financial Accounts twice a year.

CAN I SWITCH MY INVESTMENT?

Yes, switching between the Funds is allowed.

HOW DOES TAXATION AFFECT MY INVESTMENT?

The following information on taxation is based on the ACD's understanding of current taxation legislation and practice in the UK, which may be subject to change. The tax that you may have to pay on income or capital gains depends upon the tax law that applies to you. Potential investors are therefore advised that they should consult their own professional advisers on tax. You should be aware that other taxes or costs may exist that are not paid through the Company or imposed by it.

As the Company is an open-ended investment company to which the Open-Ended Investment Companies (Tax) Regulations 1997 apply, it is exempt from United Kingdom tax on capital gains realised on the disposal of investments held within the Company. The Company will also not generally be subject to United Kingdom tax on dividends received from United Kingdom companies. Other income of the Company, after deduction of allowable management expenses, will be subject to United Kingdom corporation tax at the rate of 20%.

Shareholders

A shareholder who is an individual resident in the United Kingdom is liable to income tax on a dividend distribution made by the Company. A dividend distribution carries a tax credit equal to 10% of the sum of the tax credit and the dividend distribution. The tax credit will satisfy the income tax liability of lower or basic rate taxpayers on the dividend distribution, but higher rate taxpayers will have further tax to pay.

Corporate shareholders resident in the United Kingdom will not generally be liable to United Kingdom corporation tax on dividend distributions received from the funds. However, to the extent that a dividend distribution represents income of the Funds

other than dividends received by the funds from UK companies, a corporate shareholder may be required to treat that dividend distribution as an annual payment from which income tax has been deducted at the rate of 20%. This will be shown on the tax voucher.

Further details are available in the Principal Prospectus.

WHAT IS STAMP DUTY RESERVE TAX (SDRT)?

SDRT is payable when units in the Funds are redeemed. The SDRT payable in relation to redemptions in the Funds is calculated weekly, based on the total value of shares redeemed during that week. The redemption of shares to the ACD and any third party transfers for value (collectively a 'surrender of shares') can lead to a maximum charge of 0.5% SDRT against either Fund. The amount of tax payable will depend upon the pattern of dealing in shares and the type of investments held by the Funds.

In respect of the Funds, SDRT will be met by the ACD which will, in turn, charge such sum to the Funds which will therefore be included in the calculation of the share price. The maximum charge that will be made is 0.5% of the cancellation price or redemption price of a share. The rate of 0.5% may be reduced if the ACD redeems more shares than it issues or if the Funds have holdings in stocks which are exempt from SDRT. However, there may be circumstances where in the interests of equity and fairness to all shareholders, the ACD reserves the right to charge SDRT to the transferee. In this respect any transfer of shares valued in excess of £50,000 may be subject to this charge.

Once such charge is made to the property of the Funds, the value of the property of the Funds will be reduced. However, the effect of this is unlikely to be significant. It is not possible to predict accurately whether stamp duty payment will be necessary at any point in time.

Full details can be found in the Principal Prospectus.

HOW DO I MAKE A COMPLAINT?

Complaints may be made to the Compliance Department, Daiwa Europe fund Managers Ireland Limited, Block 5, Harcourt Centre, Harcourt Road, Dublin 2.- If a complaint is not settled satisfactorily, complaints may be made to the Financial Ombudsman Service, at 1 South Quay Plaza, 183 Marsh Wall, London E14 9SR, Tel 0845 080 1800.

HOW WOULD I BE COMPENSATED IN CERTAIN SITUATIONS?

The Company is covered by the Financial Services Compensation Scheme (FSCS) and you may be entitled to compensation if the Company cannot meet its liabilities. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000, so that the maximum compensation is £48,000. Further information on compensation arrangements is available from the ACD or from the FSCS at 7th Floor, Lloyd's Chambers, 1 Poultry Street, London, E1 8BN.

HOW DO I OBTAIN FURTHER TECHNICAL INFORMATION?

Further details in relation to SGF and SGIG are in the Principal Prospectus. Copies of the Principal Prospectus and annual and half-yearly Reports and Accounts may be obtained free of charge from Saracen Fund Managers at the address given previously above, either before or after the conclusion of the contract.

FURTHER INFORMATION AND ADVICE

You may obtain further information about the Funds by phoning us on 0131 202 9100 or by visiting the website, www.saracenfundmanagers.com No advice on investments has been or will be given by SFM. If you have any doubt as to whether an investment in SGF or SGIG is suitable for you, please seek advice from an appropriately qualified financial adviser.

HOW DO THE MONEY LAUNDERING REGULATIONS AFFECT ME?

In certain circumstances we may ask you to provide us with further information to enable us to comply with our obligations under UK Anti-Money Laundering Regulations.

IMPORTANT INFORMATION

This document has been provided to you in the English language and we will continue to communicate with you in the English language. Your dealings with SFM before and after you have made an investment with us shall be governed in accordance with Scottish law.

Please note that nothing in this document constitutes financial advice.

This Simplified Prospectus is dated as at 11 July 2011. Before relying on any information contained in this document you should check with the ACD that this is the most recently published Simplified Prospectus.