

sharefunds:

Investing in funds made easy.
The SF Portfolio of Funds





We aim to make your money work for you by investing in the right markets at the right time.



Expert investment at your fingertips

Sharefunds brings you the SF Portfolio, an exciting investment opportunity enabling you to have access to a variety of different assets and markets. It is an Open Ended Investment Company (OEIC), which is a company set up to invest money on behalf of its shareholders. An OEIC is very similar to a Unit Trust except rather than buying units in a fund you buy shares in a company.

The SF Portfolio consists of three funds of funds each matching different risk profiles:

■ The 'Cautious'

■ The 'Positive'

■ The 'Adventurous'

Each of these are 'baskets' of funds from well known investment houses.

A fund of funds enables you to buy into this expertise and also access different markets and sectors through one investment vehicle for a relatively low investment. This means that you can benefit from spreading your investment risk more easily than with direct stock market investment. This is known as 'diversification'.

The Funds seek to balance out risk factors by maintaining broadly-diversified portfolios. After all, the important thing is to invest in the right markets at the right time – and that's what our Fund Managers aim to do.

Please remember that investing in funds should be viewed as a medium to long-term investment and that the value and income from your investment can go down as well as up.

Why funds?

For many people, there are two main reasons for investing in Funds:

- they reduce the overall level of investment risk by spreading your money more widely than you can generally do on your own.
- they take away the need to select and then manage your own investments.

Because they provide such a wide choice, they appeal to a wide range of investors — from those just starting out, to more seasoned investors looking to move into new areas of the market, at home or abroad.

New investors can find them an easier way into the market, especially as you can invest small amounts over time, often without high dealing charges. As funds allow you to spread your risk over a number of investments, the impact of any one investment falling in value will be less than if you'd only invested in a few individual companies yourself.

Our Funds of Funds

Our Funds of Funds offer you access to an even wider range of investments and even more diversification than investing in a single fund. They will not have too much exposure to any one sector or market, helping you to balance and spread your investment risk more easily than through direct stock market investment or investing in a single fund.

Your contribution is pooled together with other investors allowing our Fund Managers to negotiate discounts in the charges of the underlying funds. This helps keep charges as low as possible in the portfolio.

Where will our Funds invest?

Each Fund is likely to hold between 10 to 25 funds at any time. The result is a well-balanced and diversified portfolio, constructed to manage overall risk in a cost-effective way.

Each of the three Funds is constructed to suit different investment requirements and attitudes to risk. To read about the aims of these Funds in more detail, please go to page 13 of this brochure.

Cautious Fund

As the name suggests this is a lower risk investment. It aims to provide an income of 4% gross per annum, along with some capital growth. The Fund will primarily have exposure to the UK markets, with no more than 60% in equities and no less than 30% in fixed interest or cash through the underlying funds.

Positive Fund

This medium risk investment aims to achieve an income of 2% gross per annum and strong capital growth. The intent is to take advantage of economic conditions in key markets, which may include the UK, the US, Europe and Japan, through the underlying funds.

Adventurous Fund

For those of you with a greater appetite for risk this Fund aims to achieve higher capital growth through a global investment strategy. Not only will it have exposure to the UK, but also key overseas markets and may include emerging markets and specialist sectors through the underlying funds.

Expert management for your money

Our Fund Managers have access to the major fund houses and managers. Along with their systems, technology and extensive research, they are well placed to react quickly to market changes.

With over 30 years combined financial services experience between them, Andy and Sheridan are able to use their wide industry experience and knowledge from having personally advised investors on asset diversification.

Both take a hands-on approach to fund management, ensuring that meetings held with leading fund management houses are conducted jointly and that monitoring of key economic research from brokers and independent research agencies is actively discussed.



Andy Parsons Chartered MCSI

Andy is a Chartered Member of the Chartered Institute for Securities and Investment, having attained the Diploma in Investment Compliance, the Private Client and Investment Advice and Management (PCIAM) and the Certificate in Investment Management. In addition, he is a fully qualified Financial Adviser via the Chartered Insurance Institute.

Within The Share Centre, Andy is responsible for managing and developing the services offered by the Advice team. He is also a regular contributor to the media, through publications and broadcasts.

Sheridan Admans MBA BA (Hons) MCSI

Sheridan completed a Masters in Business Administration (MBA), before undertaking the necessary qualifications to become a fully qualified Financial Adviser. In addition, he is a Member of the Chartered Institute for Securities and Investment, and holder of the CISI Diploma.

Sheridan is also a key contributor to the media and his views and thoughts are regularly published in written and broadcast media.



How to invest in our Funds

You can invest a lump sum and then make additional payments as and when you want. Alternatively you can invest an initial amount then make regular monthly contributions. The minimum lump sum investment is £25 per Fund and if you then wish to make regular contributions the minimum investment is just £10 per month per Fund. Purchase costs can make periodic small investments inefficient so you'll need to look at how much each transaction costs. Shares in the Funds can be held in a ISA, SIPP or included in a non-stakeholder CTF account.

Regular monthly investing made easy

Regular investing requires a disciplined approach, along with a commitment to continue contributions during periods of market decline. But, for those investors willing to stay the course, this strategy has the potential to provide sustained growth over time.

Regular investing allows you to benefit from the changes in the share price. If the share price falls, you will buy more shares and if it rises you will buy fewer shares. Over the long term, this smoothes out your investment to even out the highs and lows. This is known as 'pound cost averaging'.

Take a look at the following example to see how it works.

Month	Regular investment	Share price	Shares bought
1	£100	£20	5
2	£100	£10	10
3	£100	£10	10
4	£100	£20	5
5	£100	£25	4
6	£100	£25	4
7	£100	£20	5
8	£100	£10	10
9	£100	£20	5
10	£100	£25	4
11	£100	£20	5
12	£100	£25	4
	£1,200	£230	71

Average share price to you = $1200/71 = £16.90$

Average share price = $230/12 = £19.17$

What it costs

Our Funds provide expert management of your investment at a competitive price.

If you invest through The Share Centre you will not have to pay any dealing commission or an initial fee to buy one of our Funds.

With most OEICs, there are two main types of charge you will have to pay; an Initial Fee and an Annual Management Charge. However, with our Fund of Funds there is no initial charge made on your investment and our Annual Management Charge is only 1% of the value of your shares per Fund. The Annual Management Charge is taken from within the value of your shares. This means that you will not be asked to pay a separate charge to cover this.

To read about the costs of these Funds in more detail, please go to page 23 of this brochure.

What you should consider before you invest

However you choose to invest, you will want to make sure the Fund you are considering is right for you and that it fits in with your investment objectives. Funds are intended as a medium to long-term investment. Their value and the income from them can go down as well as up, especially over the short-term when market volatility can make a greater impact.

The Simplified Prospectus of the SF Portfolio is included in this brochure. You should read it before you invest as it includes the important details you need to know about investing in these Funds, including the risks involved.

Any questions?

Sharefunds and The Share Centre are unable to advise on whether or not the Funds are right for you, so if you are in doubt we would recommend you speak to an independent financial adviser.

If you've any questions about the Simplified Prospectus, completing your application, making regular savings, or other similar topics, do call our Customer Service team on **0800 800 008**. Lines are open from 08:00 to 18:00 Monday to Friday and we'll be pleased to help.

Tax efficient investing with an ISA

You can hold any of our Funds within an ISA. The Share Centre offer two ISAs:

The **Funds ISA** is designed to give you access to Unit Trusts and OEICs only and you are not charged an account administration fee. Typically, fund managers pay a small annual amount back of around 0.5% of the value of your funds. This is called 'Trail Commission', and it is this payment that is used to cover the administration fee.

The **DIY ISA** is designed to give you flexibility as to what you want to invest in. This includes shares that are quoted on a recognised exchange, such as the London Stock Exchange (most AIM shares are excluded), Unit Trusts, OEICs, Investment Trusts, and Exchange Traded Funds (ETFs). The DIY ISA is subject to The Share Centre's normal account administration fee as detailed in the tariff sheet. The administration fee is calculated on the value of the account excluding the value of any funds (Unit Trusts and OEICs).

You can find more information about these accounts on www.share.com or by speaking with the Customer Service team on **0800 800 008**.



Simplified Prospectus of the SF Portfolio ICVC

The Financial Services Authority is the independent financial services regulator. It requires us, Sharefunds Limited, to give you this important information to help you to decide whether our SF Portfolio ICVC is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

The SF Portfolio ICVC ('the Company') is an Umbrella Company which complies with UCITS regulations. It has 3 sub funds which are each Fund of Funds. These are the SF Cautious Fund, the SF Positive Fund and the SF Adventurous Fund. Any references to 'the Fund' in this document refers to one of these sub-funds.

Sharefunds Limited acts as the Authorised Corporate Director ('the ACD') for the Funds.

The Share Centre Limited acts as the promoter for the Funds along with providing stockbroking services for retail clients.

Cautious Fund

The Aim of the Fund

The Cautious Fund aims to achieve a combination of income distributions of approximately 4% per annum gross and capital growth in excess of the IMA Cautious Managed Index, primarily through investment in a portfolio of collective investment schemes, investment trusts and closed-ended investment companies (together, 'Collective Investment Vehicles') providing diversification across a range of underlying assets.

It is intended that the Fund will invest principally in Collective Investment Vehicles whose underlying investments consist mainly of UK listed equities and/or fixed income securities. Subject to the Fund's investment objective as set out above, the additional asset classes in which the Fund may directly or indirectly invest include transferable securities, money market instruments and deposits to the extent permitted for UCITS Schemes under the FSA Rules.

It is also intended that:

- not more than 60% of the Fund's scheme property will be invested in equity securities and/or in Collective Investment Vehicles that invest primarily in equity securities; and
- at least 30% of the Fund's scheme property will be invested in deposits and/or fixed income securities (including debentures, money market instruments and government and public securities) and/or in Collective Investment Vehicles that invest primarily in deposits and/or fixed income securities.

Specific Risks

The ACD views the overall risk attached to the Cautious Fund as Lower Risk to Medium Risk.

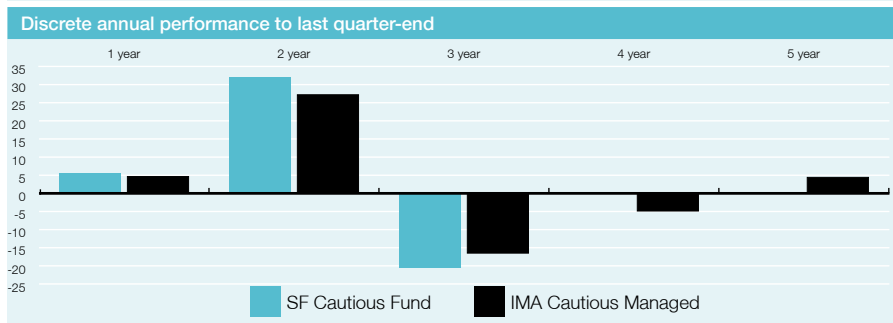
The ACD views the Cautious Fund as being most suited to an investor seeking a medium to long term investment which is likely to be held by the investor for at least 5 years.

To avoid erosion of income, charges are deducted from capital. As a result capital may be eroded or future growth constrained.

Performance History

Figures shown are on a single priced basis including income re-invested and any charges levied on the Fund, except any initial or redemption charge which may apply. Past performance is not a reliable indication of future performance. Please note that this information is up to date as of 31 March 2011.

Cumulative performance	1 year	2 year	3 year	4 year	5 year
The SF Cautious Fund	5.64%	39.56%	10.86%	—	—
IMA Cautious Managed	4.79%	33.66%	11.77%	5.74%	1.08%



Charges and expenses

The tables below show the effect based on a lump sum investment of £1,000 and a regular monthly contribution of £100. It assumes a growth rate of 6% for investing directly in the Fund and 7% for investing via a tax efficient wrapper such as an ISA.

At the end of year	Investment to date		Income to date		Effect of deduction to date		What you might get back at 6%	
	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver
1	£1,000	£1,200	£37	£44	£20	£23	£988	£1,162
3	£1,000	£3,600	£112	£261	£61	£143	£994	£3,482
5	£1,000	£6,000	£186	£653	£101	£354	£990	£5,804
10	£1,000	£12,000	£371	£2,391	£203	£1,311	£979	£11,585

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £203 (Lump Sum Investment) or £1,311 (monthly saver).

Putting it another way if the growth rate were to be 6% per year, which is in no way guaranteed, this would have the same effect of reducing the investment growth from 6% a year down to 3.9% a year (lump sum investment) or 3.0% per year (monthly saver).

At the end of year	Investment to date		Income to date		Effect of deduction to date		What you might get back at 7%	
	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver
1	£1,000	£1,200	£38	£44	£20	£23	£1,008	£1,168
3	£1,000	£3,600	£114	£264	£62	£145	£1,022	£3,536
5	£1,000	£6,000	£192	£665	£104	£361	£1,038	£5,953
10	£1,000	£12,000	£391	£2,478	£214	£1,359	£1,076	£12,186

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £214 (Lump Sum Investment) or £1,359 (monthly saver).

Putting it another way if the growth rate were to be 7% per year, which is in no way guaranteed, this would have the same effect of reducing the investment growth from 7% a year down to 4.9% a year (lump sum investment) or 3.9% per year (monthly saver).

Positive Fund

The Aim of the Fund

The Positive Fund aims to achieve a combination of income distributions of approximately 2% per annum gross and capital growth in excess of the FTSE All-Share index, primarily through investment in a portfolio of Collective Investment Vehicles providing diversification across a range of underlying assets.

It is intended that the Fund will invest principally in Collective Investment Vehicles whose underlying investments consist mainly of listed equities and/or fixed income securities of issuers based in the UK and OECD countries, including the US, the member states of the EU and Japan. Subject to the Fund's investment objective as set out above, the additional asset classes in which the Fund may directly or indirectly invest include transferable securities, money market instruments and deposits to the extent permitted for UCITS Schemes under the FSA Rules.

Specific Risks

The ACD views the overall risk attached to the Positive Fund as Medium Risk.

Because the Positive Fund has the ability to invest in overseas securities and/or in collective investment schemes investing in overseas securities, its performance may be adversely affected if Sterling strengthens against other currencies.

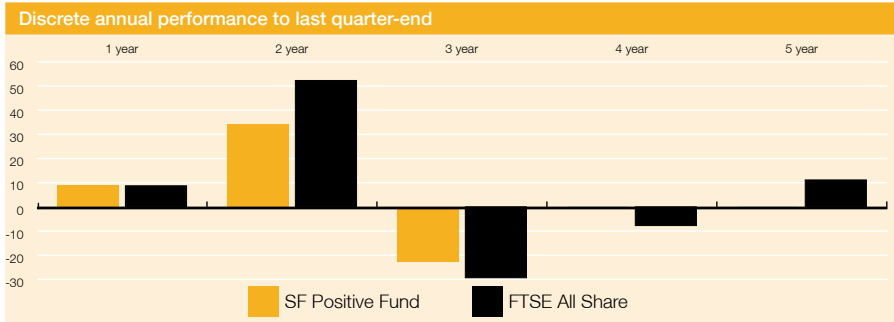
The ACD views the Positive Fund as being most suited to an investor seeking a medium to long term investment which is likely to be held by the investor for at least 5 years.

To avoid erosion of income, charges are deducted from capital. As a result capital may be eroded or future growth constrained.

Performance History

Figures shown are on a single priced basis including income re-invested and any charges levied on the Fund, except any initial or redemption charge which may apply. Past performance is not a reliable indication of future performance. Please note that this information is up to date as of 31 March 2011.

Cumulative performance	1 year	2 year	3 year	4 year	5 year
The SF Positive Fund	8.74%	46.07%	13.12%	-	-
FTSE All Share	8.72%	65.58%	17.02%	7.96%	20.00%



Charges and expenses

The tables below show the effect based on a lump sum investment of £1,000 and a regular monthly contribution of £100. It assumes a growth rate of 6% for investing directly in the Fund and 7% for investing via a tax efficient wrapper such as an ISA.

At the end of year	Investment to date		Income to date		Effect of deduction to date		What you might get back at 6%	
	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver
1	£1,000	£1,200	£19	£22	£26	£30	£1,013	£1,179
3	£1,000	£3,600	£57	£131	£78	£181	£1,041	£3,593
5	£1,000	£6,000	£96	£332	£131	£454	£1,071	£6,084
10	£1,000	£12,000	£198	£1,248	£273	£1,718	£1,145	£12,641

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £273 (Lump sum investment) or £1,718 (monthly saver).

Putting it another way if the growth rate were to be 6% per year, which is in no way guaranteed, this would have the same effect of reducing the investment growth from 6% a year down to 3.4% a year (lump sum investment) or 2.9% per year (monthly saver).

At the end of year	Investment to date		Income to date		Effect of deduction to date		What you might get back at 7%	
	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver
1	£1,000	£1,200	£19	£22	£26	£31	£1,023	£1,186
3	£1,000	£3,600	£58	£133	£80	£183	£1,071	£3,649
5	£1,000	£6,000	£98	£338	£135	£463	£1,122	£6,242
10	£1,000	£12,000	£209	£1,294	£288	£1,782	£1,258	£13,314

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £288 (Lump sum investment) or £1,782 (monthly saver).

Putting it another way if the growth rate were to be 7% per year, which is in no way guaranteed, this would have the same effect of reducing the investment growth from 7% a year down to 4.4% a year (lump sum investment) or 3.9% per year (monthly saver).

Adventurous Fund

The Aim of the Fund

The Adventurous Fund aims to achieve capital growth in excess of the MSCI World Index, primarily through investment in a portfolio of Collective Investment Vehicles providing diversification across a range of underlying assets.

It is intended that the Fund will invest principally in Collective Investment Vehicles whose underlying investments consist mainly of listed equities and/or fixed income securities of issuers based in the UK, OECD countries (including the US, the member states of the EU and Japan) and emerging markets. Subject to the Fund's investment objective as set out above, the additional asset classes in which the Fund may directly or indirectly invest include transferable securities, money market instruments and deposits to the extent permitted for UCITS Schemes under the FSA Rules.

Specific Risks

The ACD views the overall risk attached to the Adventurous Fund as Medium Risk to Higher Risk.

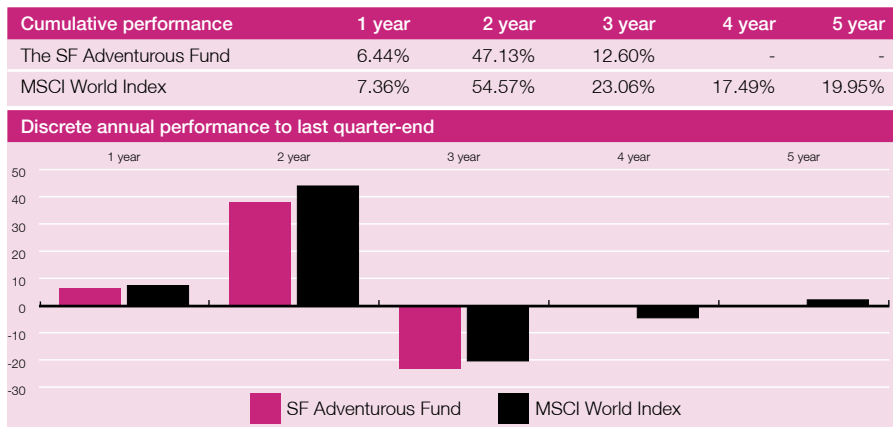
Because the Adventurous Fund has the ability to invest in overseas securities and/or in collective investment schemes investing in overseas securities, its performance may be adversely affected if Sterling strengthens against other currencies.

The Adventurous Fund may invest in the securities of issuers based in emerging markets and/or collective investment schemes investing in such securities. The volatility levels of such securities and/or collective investment schemes may be relatively high.

The ACD views the Adventurous Fund as being most suited to an investor seeking a medium to long term investment which is likely to be held by the investor for at least 5 years.

Performance History

Figures shown are on a single priced basis including income re-invested and any charges levied on the Fund, except any initial or redemption charge which may apply. Past performance is not a reliable indication of future performance. Please note that this information is up to date as of 31 March 2011.



Charges and expenses

The tables below show the effect based on a lump sum investment of £1,000 and a regular monthly contribution of £100. It assumes a growth rate of 6% for investing directly in the Fund and 7% for investing via a tax efficient wrapper such as an ISA.

At the end of year	Investment to date		Effect of deduction to date		What you might get back at 6%	
	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver
1	£1,000	£1,200	£32	£37	£1,028	£1,197
3	£1,000	£3,600	£95	£218	£1,091	£3,707
5	£1,000	£6,000	£164	£564	£1,154	£6,365
10	£1,000	£12,000	£346	£2,114	£1,339	£13,837

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £346 (Lump Sum Investment) or £2,114 (monthly saver).

Putting it another way if the growth rate were to be 6% per year, which is in no way guaranteed, this would have the same effect of reducing the investment growth from 6% a year down to 3.0% a year (lump sum investment) or 2.8% per year (monthly saver).

At the end of year	Investment to date		Effect of deduction to date		What you might get back at 7%	
	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver	Lump Sum	Monthly Saver
1	£1,000	£1,200	£32	£37	£1,038	£1,203
3	£1,000	£3,600	£96	£220	£1,122	£3,765
5	£1,000	£6,000	£169	£575	£1,210	£6,533
10	£1,000	£12,000	£365	£2,194	£1,471	£14,592

The last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £365 (Lump Sum Investment) or £2,194 (monthly saver).

Putting it another way if the growth rate were to be 7% per year, which is in no way guaranteed, this would have the same effect of reducing the investment growth from 7% a year down to 3.9% a year (lump sum investment) or 3.8% per year (monthly saver).

Your investment

Your money buys shares in your chosen Fund at the calculated price. As the value of a Fund rises so the value of your shares rises too. The value of shares can also fall and, as a result, you could get back less than you originally invested.

Sharefunds Limited acts as the ACD and is responsible for the day to day administration of the Funds and the management of the underlying investments in the Funds.

The Company was created on 14 January 2008. The Company is authorised and Incorporated in the United Kingdom.

What is the tax position of the Funds?

Each Fund is exempt from UK tax on Capital Gains but is liable to Corporation Tax at the lower rate of income tax (20%) on its income, other than dividends from UK Companies, less its expenses of management.

Although Stamp Duty will not be applied on your investment each Fund may have to make a monthly Stamp Duty Reserve Tax payment to HM Revenue and Customs depending on the transactions in the Fund. This will be paid from the Company's property.

What is the Income Tax position on dividends I receive?

Because dividends will have an associated tax credit, basic rate tax

payers will have no further liability to income tax; higher rate tax payers may have a further income tax liability. Non-taxpayers cannot reclaim the tax credit. If you hold your Fund shares in a Share Account with The Share Centre, dividends paid will be included in the annual Composite Tax Certificate provided to you annually, in April.

Please remember, the bases and levels of taxation relating to the Fund, or to your chosen investment vehicle (e.g. an ISA) may change and can depend on the individual circumstances of each investor.

Will my shares be liable for Capital Gains Tax ('CGT')?

Gains within the Fund itself are not liable for CGT. However, when you sell your shares any gain may give rise to a CGT liability in the normal way.

If you are unclear to what tax regime applies to you, you should seek professional advice.

Profile of a Typical Investor

The typical investor in the Cautious Fund will be a retail investor with a low to medium risk profile seeking income and growth and wanting to invest in a spread of collective investment schemes, investment trusts and closed-ended investment companies whose underlying investments consist primarily of UK listed

equities and fixed income securities.

The typical investor in the Positive Fund will be a retail investor with a medium risk profile seeking income and growth and wanting to invest in a spread of collective investment schemes, investment trusts and closed-ended investment companies whose underlying investments consist primarily of UK and OECD listed equities and fixed income securities.

The typical investor in the Adventurous Fund will be a retail investor with a medium to higher risk profile seeking growth and wanting to invest in a spread of collective investment schemes, investment trusts and closed-ended investment companies whose underlying investments consist primarily of UK, OECD and emerging markets listed equities and fixed income securities.

What risk factors should I bear in mind?

Many things could happen to affect the value of your investment, for instance:

- there can be no assurance that any Fund will achieve its investment objective;
- the investment growth may be lower than expected;
- the Funds' charges may be higher than assumed;
- the tax treatment of the Funds, or of the investment instrument in which the shares are held (e.g. an ISA) may change;

- due to market fluctuations the value of the investments and the income from them can fall as well as rise and, particularly in the short-term, you may get back less than your original investment;

- the income from your investments cannot be guaranteed. The ACD may operate 'income smoothing' to try to alleviate large differences between the interim and final dividend paid to you;

- the Funds are intended to be medium to long-term investments;

- the Funds do not guarantee returns and you may not get any money back, including your initial investment;

- please note that past performance is not a reliable indicator of future performance and should only be used as part of your considerations before investing;

- the value of your investment can fall due to factors such as other investors cancelling shares leading to charges being higher than assumed;

- no Fund is 'ring-fenced'. This means that in the event of the Company being unable to meet liabilities attributable to any particular Fund out of the assets attributable to such Fund, the remaining liabilities may have to be met out of the assets attributable to other Funds;

- all risks associated with the Funds can be found in the prospectus of The SF Portfolio ICVC.

Determining Risk

In forming its view of the overall risk of investments, the ACD classifies risk as follows:

■ 'Low Risk': The ACD classifies investments as Low Risk when they display a low volatility and offer medium to long term returns with a degree of certainty. A Low Risk classification does not indicate that any given investment shall entail no risk, and investors' investments may still reduce in value. Cash funds and AAA rated Bond funds would generally be classified as Low Risk by the ACD.

■ 'Medium Risk': Funds classified as Medium Risk by the ACD would generally have risk profiles which are akin to a particular equity market as a whole. This category can be diverse and can include funds which invest in specific areas of a stock market, such as a smaller companies fund and funds which invest in the UK or overseas markets through investment trusts and collective investment schemes.

■ 'Higher Risk': Funds classified as Higher Risk by the ACD generally include those which the ACD considers to have a risk profile significantly more risky than an investment in a typical UK equity. Higher Risk funds will generally have substantial exposure to highly geared investments, including for example investments in derivatives, or to investments in markets or sectors which typically display high volatility, for example, emerging markets.

Investing in the Funds

How will I know the price of shares at any time?

The price of the shares in the Funds will be shown via the Sharefunds website (www.sharefunds.com); on The Share Centre's website (www.share.com) and are also available by calling The Share Centre on 01296 41 42 43. Remember, there is just one single price that applies to both buying and selling shares in each Fund.

How is the price of shares calculated?

The share price is calculated at noon each business day and is applied on a 'forward price' basis. Buy or sell orders received before noon will be dealt at the calculated price for that day; orders received after noon will be dealt at the price calculated on the next business day.

How do I buy or sell shares?

You can deal in shares in the Funds through an Account with our sister company The Share Centre, or through another stockbroker. Your instructions can be given to The Share Centre in writing, by post or fax, over the telephone or via the internet.

The Share Centre charges no dealing commission and no initial fee on orders to buy shares in the Funds.

Will I receive a share certificate?

Shares in the Funds are held either through an Account with The Share

Centre (in which they are held for you in the name of Share Nominees Limited) or through another stockbroker. Share certificates will not be issued but you will receive a Contract Note setting out full details of your transaction.

How will I receive sale proceeds?

Proceeds from the sale of your Fund shares will be credited to your Account with The Share Centre, from which they can be withdrawn in the normal way (such withdrawals are subject to the tariff applicable to your Account); if you do not have an Account with The Share Centre, proceeds will be distributed via your stockbroker.

How is income distributed?

Income from the Cautious and Positive Fund is distributed as a dividend half-yearly in March and September, and will be credited to your Account with The Share Centre. If you do not have an Account with The Share Centre you will receive a cheque in respect of your dividend, or payment via your stockbroker. The Adventurous Fund issues Accumulation shares and therefore no income is distributed for this Fund.

How can I switch between different Funds?

You may give notice to The Share Centre that you wish to exchange all or some of your shares in one Fund for shares of another Fund. Such switches can only take place if your holding of new

shares will satisfy the applicable minimum investment requirement of that Fund.

You will sell your holding of shares and then purchase the new Fund you wish to hold. Normal dealing charges will apply.

Can I reinvest income?

Income received as a dividend can be reinvested into shares in one of the Funds by placing a share purchase order in the normal way, or by using The Share Centre's Income Reinvestment Option, subject to a minimum investment of £15 per transaction. If you choose to leave monies un-invested in your Account, you will earn interest at the rate detailed in the Tariff applicable to that Account.

How am I kept in touch about the performance of the Fund?

Every year you will be sent the summary annual and half-year report detailing the Funds' performance, income received and information about the underlying investments. A full annual and half year report are available, free of charge, on request.

What are the charges?

The Funds have an annual management charge of 1% deducted from each Fund at a rate of 0.25% per quarter. No initial fee is charged.

The annual management charge covers the ongoing administration and professional management of the Funds. Any change to the level of these charges will only be made

after shareholders have been given at least 60 days' notice, in writing.

A dilution charge may be made on either the purchase or sale of shares. It is envisaged this will only apply to sales in excess of £50,000 or 2.5% of the Fund's value, whichever is the smaller; however the ACD does reserve the right to levy such a charge on any or all deals where this is deemed to be in the interest of shareholders.

All other costs, such as dealing commission, custody fees, audit costs, registration fees and depositary expenses are borne by the Funds and are deducted from capital in respect of the Cautious and Positive Funds, and deducted from income in respect of the Adventurous Fund. Details of fees and charges incurred by the Funds are shown in the Full Annual Report.

Where the Funds' shares are held in an Account with The Share Centre, the normal tariff for that Account will apply except no quarterly administration fees will be charged for accounts only holding shares in the SF Portfolio Funds.

What is the portfolio turnover rate of the Fund?

The Portfolio Turnover Rate for each Fund as at 31 March 2011 is as follows:

- Cautious Fund: 78.58%
- Positive Fund: 31.41%
- Adventurous Fund: 101.39%

The Portfolio Turnover rate is calculated by the following formula:

$$\frac{(P + S) - (I + R) \times 100}{NAV}$$

Key:

P = Purchase of underlying securities

S = Sale of underlying securities

I = Issues of shares

R = Redemption of shares

NAV = Average fund value over 12 months

What is the total expense ratio of the Fund?

The total expense ratio (TER) for each Fund is to be capped as follows:

- Cautious Fund: 2.00%
- Positive Fund: 2.50%
- Adventurous Fund: 3.00%

The TER for the period to 31 December 2010 was:

- Cautious Fund: 1.96%
- Positive Fund: 2.09%
- Adventurous Fund: 2.14%

The TER shows the annual operating expenses of the scheme – it does not include transaction expenses. All European funds highlight the TER to help you compare the annual operating expenses of different schemes.

How much will advice cost?

To ensure there are no conflicts of interest The Share Centre does not provide advice in respect of any of the SF Portfolio Funds and so makes no charge. If in doubt as to whether any of the SF Portfolio Funds is suitable for you, you should seek independent financial advice. When you invest through a third party, such as an independent financial adviser there may be a cost; your adviser will give you details about the cost. The cost may depend on the amount of the investment.

What if I change my mind?

If, having invested in shares in a Fund, you change your mind, you will need to sell those shares in the normal way. Cancellation rights, otherwise known as a 'cooling off' period, do not apply to shares in the Funds.

What if I have a complaint?

If you have a complaint you can contact us by any means including letter, telephone or email.

If we are unable to resolve your complaint to your complete satisfaction, you may be entitled to refer it to the Financial Ombudsman Service, the independent complaints body for the financial services industry. Their contact details are:

Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR, 0845 080 1800, enquiries@financial-ombudsman.org.uk www.financial-ombudsman.org.uk.

The Financial Ombudsman is unable to consider your complaint until we have completed our investigation and given you a final response.

We have made our complaints procedure simple to follow, so that you should not have to use a solicitor or seek professional help. If you choose to do this, you will be responsible for the costs.

A copy of our full complaints handling procedure is available on request.

What happens if the Fund or The Share Centre can't meet their liabilities?

Both The Share Centre Limited and Sharefunds Limited participate in the Financial Services Compensation Scheme (FSCS).

You may be entitled to compensation from the scheme if either company cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £50,000.

Further information about the compensation scheme arrangements is available on request from the FSCS at:

- www.fscs.org.uk.
- Telephone number: 0207 892 7300.

Enquiries

If you have any queries or require additional information please contact our Customer Service team on 01296 41 41 41.

If you would like a copy of the full prospectus, annual or half yearly report please contact the ACD. These can be provided free of charge at any time.

The Authorised Corporate Director, and Investment Manager of the Funds are:
Sharefunds Limited, Oxford House,
Aylesbury, Bucks, HP21 8SZ
0800 800 008, info@sharefunds.com

The Depositary of the Funds is:
BNY Mellon Trust & Depositary Company
plc, 160 Queen Victoria Street, London,
EC4V 4LA.

The Auditor of the Funds is:
Deloitte LLP, 3 Rivergate, Temple Quay,
Bristol, BS1 6GD.

The Funds are authorised by:
The Financial Services Authority, 25 The
North Colonnade, Canary Wharf, London,
E14 5HS.

This Simplified Prospectus was updated
in May 2011.

phone 0800 800 008
email info@sharefunds.com
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write Sharefunds, PO Box 2000,
Aylesbury, Bucks, HP21 8ZB.