



Engage Mutual Investment Funds ICVC
simplified prospectus



contents

1. introduction	page 3
what is the purpose of this document? details about the Scheme	
2. what are the aims of each Fund?	page 4
3. who are the Funds suitable for?	page 4
4. what are the risks?	page 5
5. what are the charges and expenses?	page 6
what charges and expenses will I pay? will any commission be paid? how will the charges affect my investment?	
6. what about tax?	page 9
how are the Funds taxed? what tax will I pay?	
7. how have the Funds performed in the last 10 years?	page 10
total expense ratio portfolio turnover rate	
8. investing with Engage Mutual	page 12
how do I buy or sell shares? can I cancel my investment? how do I switch from one fund to another? will I receive an income from my investment? where are the share prices for the Funds published?	
9. additional information	page 13
who regulates the Funds? how can further information be obtained? how do I make a complaint? how can I contact you? date of publication	

introduction

what is the purpose of this document?

To provide detailed information about the fund available.

The Simplified Prospectus should be read in conjunction with the following documents:

- Key Features
- Terms & Conditions

details about the Scheme

The Funds currently available are:

Engage Mutual Investment Growth Fund

Authorisation:

The Fund is authorised in the United Kingdom

Date of Fund Authorisation:

7 October 1999

Manager:

Engage Mutual Funds Limited (EMFL)
Hornbeam Park Avenue,
Harrogate, HG2 8XE

Depository:

BNY Mellon Trust & Depository (UK) Limited
The Bank of New York Mellon Centre
160 Queen Victoria Street
London
EC4V 4LA

Auditors:

Deloitte LLP
1 City Square, Leeds, LS1 2AL


Class of Shares available:

Engage Mutual Investment Growth Fund:

- Class A Net Accumulation Shares
- CTF Class Net Accumulation Shares

what are the aims of the Fund?

The aims and investment policy of the Engage Mutual Investment Growth Fund are:

- to help your savings grow over the medium to long term;
 - by investing in shares and related securities, the aim is to track the performance of the companies listed on the FTSE 100 index in the UK.
-  further information on the **investment policy and objectives** can be found in the full prospectus.

who are the Funds suitable for?

- Engage Mutual Investment Growth Fund is aimed at investors who are looking to build up capital by participating in a limited portfolio investing in the UK's largest companies.
- investors should be aware that this should be a medium to long term investment.
- the Fund is not suitable for investors who are not prepared to take some risk with their capital or for anyone who is likely to want to cash their investment within 5 years.

what are the risks?

- the value of your investment can fall as well as rise and you may get back less than has been paid in.
- the value will depend on investment performance and is not guaranteed.

When making an investment you should be aware of the following risks that apply to the Funds listed in this document:

type of risk	what this means
market risk	The value of the investments within the Funds could fall simply because of economic change or other events that impact upon large parts of a market.
exchange rate risk	The Funds can invest in overseas equities and fixed interest securities. This means that the value of the investments may be affected by changes in the exchange rate.
performance risk	The performance of each Fund will vary depending on the individual investment decisions made by the manager, as well as the risk associated with the Fund's investments in securities. The value of these securities can fall as well as rise. The Funds do not have any guarantees of performance provided by third parties.
inflation risk	Over time, cost of living will generally rise reducing the real value of any investment growth. This means that you may not be able to buy as much in the future with the proceeds of the investment as you could do today.
credit risk	If any of the companies in which the Engage Mutual Investment Growth Fund invests becomes insolvent, this may result in zero or reduced returns from investment in that company.
risks to capital	If you make any withdrawals, including regular income payments, this will reduce your investment and if the Fund's growth does not offset the withdrawals made your investment will fall below the original investment amount.
liabilities of the company	Our Funds are operated as separate entities with their own assets and liabilities. However, if the liabilities of one Fund were to exceed its assets, the other Fund may have to transfer across money to cover the liabilities. This means that the Fund you invest in may be worth less if it has to transfer money to another Fund.
tax risk	Governments may change the tax treatment for individuals and Funds.



further details on the **risks** can be found in the full prospectus.

what are the charges and expenses?

fund	share class	initial charge	annual management charge	exit fee
Engage Investment Growth Fund	Class A Shares	none	1% of the Fund Value	none
Engage Investment Growth Fund	CTF Class Shares	none	1.5% of the Fund Value	none

The charges and expenses are deducted from the value of the Fund and this is reflected in the share price. Changes to charges may be made in the future upon written notice.



full details on the **charges and expenses** can be found in the full prospectus.

will any commission be paid?

If you are introduced by a third party then commission and services may be payable to them. This is paid for out of the Annual Management Charge (AMC) and will not be at a further cost to you.

how will the charges affect my investment?

- an AMC is charged. This is currently 1% on all classes except the CTF Class Shares, where the charge is 1.5%.
- it is calculated daily on the value of the fund and is deducted every day from income.
- there are no other charges.

The figures in the following tables are not guaranteed and serve only to demonstrate the effect of charges and expenses on an investment.

example 1 – Class A Shares, for illustration purposes:

- you invest £5,000 into the Engage Mutual Investment Growth Fund
- if your money grows at 7% a year (not guaranteed, it could be more or less)

at end of year	investment to date (£)	effect of charges and expenses to date (£)	what you might get back at 7% per annum (£)
1	£5,000	£53	£5,290
3	£5,000	£181	£5,940
5	£5,000	£342	£6,670
10	£5,000	£936	£8,890

- the last line in the table shows that over 10 years the effect of the total charges and expenses could amount to £936.
- putting it another way, this would have the same effect as bringing the illustrated investment growth rate down from 7% a year to 5.9% a year.

This table relates to CTF's opened with a £250 voucher with Engage prior to 31 December 2010. The table is not relevant to Transfers In.

example 2 – CTF Class Shares (without lifestyling), for illustration purposes:

- £250 voucher invested into the CTF at age one
- you invest £20 per month into the Engage Mutual Investment Growth Fund (CTF class)
- if the child's money grows at 7% a year (not guaranteed, it could be more or less)

at end of year	investment to date (£)	effect of charges and expenses to date (£)	what the child might get back at 7% per annum (£)
1	£490	£6	£510
2	£730	£16	£785
3	£970	£32	£1,070
4	£1,210	£53	£1,370
5	£1,450	£81	£1,700
10	£2,650	£342	£3,580
15	£3,850	£899	£6,040
17	£4,330	£1,240	£7,220

- the last line in the table shows that over 17 years the effect of the total charges and expenses could amount to £1,240 without lifestyling.
- putting it another way, this would have the same effect as bringing the illustrated investment growth rate down from 7% a year to 5.4% without lifestyling.

please note **lifestyling** only applies to CTF.

For further information please see CTF key features document.

what about tax?

how are the Funds taxed?

capital gains tax: The Funds are exempt from UK tax on capital gains when investments held within them are sold.

stamp duty reserve tax: This arises on the surrender and transfers on the register of Shares. The charge is 0.5% of the value of shares sold by investors and is payable by the Fund.

income tax: Dividends from UK companies are received by the Fund with a tax credit and no further tax is payable by the Fund on that income. The Funds are subject to corporation tax at 20% on other types of income.

what tax will the investor pay?

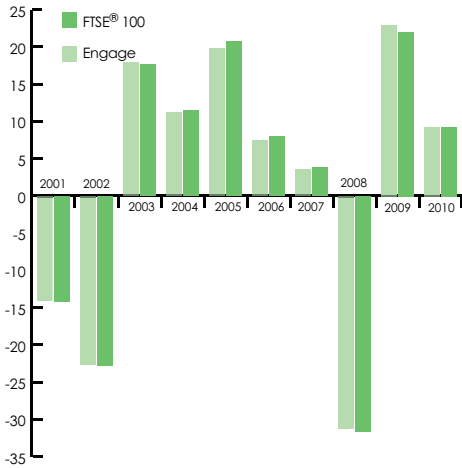
The personal tax you pay will depend upon your individual circumstances. Taxation levels, bases and reliefs are those currently applicable and can be subject to regulatory change. If you are unclear what your position is you should seek professional advice.



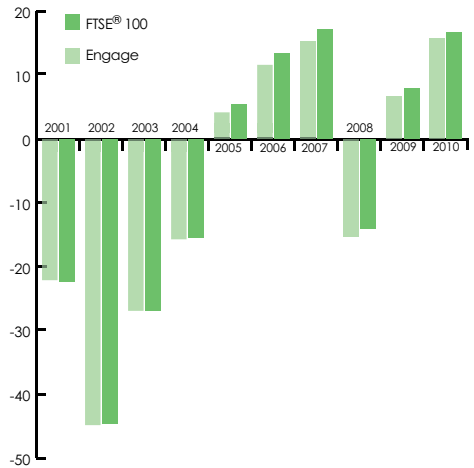
full details on **tax** can be found in the full prospectus.

how have the Funds performed in the last 10 years?

Engage Mutual Investment Growth Fund



Engage Mutual Investment Growth Fund (Cumulative)



- the information shown above refers to the period from 1 January 2001 to 31 December 2010.
- the performance shown may not be repeated and is not a reliable indicator of future results.
- up-to-date past performance can be obtained by contacting us. Please see page 13 for details.

total expense ratio (“TER”)

The TER helps you compare the annual operating costs (or expenses) of different Funds. Costs incurred by the Fund include the AMC and charges associated with the sale or purchase of investments held under the account.

The costs and expenses used to calculate the TER are based on those attributable to the Funds in the fiscal year* 2009/2010 and are calculated as a percentage of average net assets. The actual amount of the costs and expenses may be higher or lower.

- The TER for the Engage Mutual Investment Growth Fund – CTF Class, for the period ending 15 November 2010 is 1.51%
- The TER for the Engage Mutual Investment Growth Fund – Class A, for the period ending 15 November 2010 is 1.01%.

If you would like the TERs for previous years, please contact us.

* Fiscal year for the purposes of these Funds is a 12 month period from 16 November to 15 November.

portfolio turnover rate (PTR)

The costs to the Fund may be affected by the number of transactions that the Manager decides to make to achieve the investment objectives. So, the more transactions, the higher the transaction costs.

The Portfolio Turnover Rate of the Funds is as follows:

- The PTR for the Engage Mutual Investment Growth Fund – 12 month period ending 15 November 2010 is 3.40%.

investing with Engage Mutual

how do I buy or sell shares?

	OEIC	CTF
new investments	Shares can be bought by sending a completed application form and cheque to the address below.	Accounts can be transferred to Engage Mutual by sending a completed Transfer In Form to the address below.
additional payments	Can be made by Direct Debit or cheque.	Can be made by Direct Debit, Cheque, Standing Order, Direct Credit or Debit Card.
making withdrawals	All or part of your investment can be withdrawn at any time by writing to us at the address below.	Withdrawals can only be made in the event of a terminal illness claim.

Shares are valued at 12 noon each working day. This is called the valuation point. If you pay money in or take money out, we'll buy or sell the shares at the valuation point, following receipt of your instructions.

by phone: Customer Contact Centre on 0800 298 3233

Open 8am to 8pm Monday to Friday and 9am to 4pm on Saturdays

in writing: EMFL, Hornbeam Park Avenue, Harrogate HG2 8XE

 **subscriptions** and **withdrawal limits** may apply, further information can be found in the product Key Features.


can I cancel my investment?

There is no statutory right to cancel unless you receive advice from a Financial Adviser. However we voluntarily give you a cancellation period. This varies depending on which product you have.

If you decide to cancel within this period you will receive back the value of your account at the date the cancellation notice is received by us.

If the share price has fallen between the day your shares were bought and the day they were sold, you will get back less than you originally invested.

In the case of a child trust fund the account will be cancelled and the transfer will not be requested from your old provider.

 further details on the **cancellation period** can be found in the product Key Features.

how do I switch from one Fund to another?

You can request to switch all or some of your shares at any time in writing. We reserve the right to charge a £15 fee for switching between Funds.

In the case of CTFs, Fund switching is not applicable until the child is age 13.

will I receive an income from my investment?

If you invest in the Engage Mutual Investment Growth Fund, income will be reinvested back into the Fund to increase the value of each share.

where are the share prices for the Funds published?

Share prices are quoted daily at **engagemutual.com/fundprices**

additional information

who regulates the Funds?

The Funds are authorised and regulated by the Financial Services Authority (FSA). EMFL's FSA Register number is 181487. You can check this on the FSA's Register by visiting the FSA's website **fsa.gov.uk** or by contacting the FSA on 0845 606 1234.

how can further information be obtained?

The following information can be obtained free of charge on request:

- full prospectus,
- annual and half yearly reports

how do I make a complaint?

If you need to complain, please contact us at the address below. If you're not satisfied with our response, you can write to:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

how can I contact you?

If you have any questions you can phone, email or write to us.

0800 298 3233 (open 8am to 8pm Monday to Friday and 9am to 4pm on Saturdays)

mail@engagemutual.com

Engage Mutual Funds Limited
Hornbeam Park Avenue
Harrogate
HG2 8XE

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16 February 2011

for more information call **0800 298 3233**
or visit **engagemutual.com**

Lines are open Mon-Fri 8am-8pm and Sat 9am-4pm



Engage Mutual Assurance, Hornbeam Park Avenue, Harrogate,
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Engage Mutual Assurance is a trading name of Engage Mutual Funds Limited (EMFL),
Registered No 3224780. Authorised and regulated by the Financial Services Authority
(FSA). EMFL's FSA Register number is 181487. You can check this on the FSA's Register by
visiting the FSA's website www.fsa.gov.uk or by contacting the FSA on 0845 606 1234.

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