

Epworth Investment Fund

European Fund and UK Equity Fund (together the “Funds”)

SIMPLIFIED PROSPECTUS

14 April 2011

This simplified Prospectus contains key information in relation to the Funds, which are currently the sub-funds of Epworth Investment Fund (the “Trust”), a unit trust constituted by a Trust Deed dated 28 February 2007 and authorised by the FSA under authorisation order 460624 with effect from 7 March 2007. The Trust has been established as a UCITS Scheme, and also as an umbrella fund, meaning that different sub-funds may be formed by Epworth Investment Management Limited (the “Manager”) subject to approval by the FSA.

<p>The Fund</p>	<p>The Trust was created on 28 February 2007 and authorised in the United Kingdom by the Financial Services Authority on 7 March 2007.</p> <p>Income units shall be issued in respect of both Funds and shall be available to all investors. The UK Equity Fund launched on 16 May 2007 and the European Fund launched on 15 June 2007.</p> <p>The Trust is only suitable for investment by UK investors. Potential investors are advised to read the latest full Prospectus dated 14 April 2011 before making an investment decision. The rights and duties of the investor as well as the legal relationship with the Trust are laid down in the full Prospectus. The full Prospectus and annual and half yearly reports of the Funds may be obtained free of charge by contacting the Manager at the address set out below.</p> <p>The base currency of the Funds is pounds sterling.</p> <p>The Funds are actively managed</p>
<p>What are the investment objectives of the Funds?</p>	<p>The European Fund aims to achieve a long term total return (before expenses) equal to the European (excluding the UK) equity market as measured by an appropriate benchmark. At the date of this Prospectus this will be the FTSEurofirst 300 ex UK ex Exclusions index.</p> <p>The UK Equity Fund aims to achieve a long term total return in excess of the UK equity market as measured by an appropriate benchmark. At the date of this Prospectus this will be the FTSE ALL Share index.</p>
<p>Are there performance benchmarks for the Funds?</p>	<p>The performance benchmark for the European Fund is the FTSEurofirst 300 ex UK ex exclusions index.</p> <p>The performance benchmark for the UK Equity Fund is the FTSE ALL Share index.</p>
<p>What is the Funds’ investment policy?</p>	<p>The Funds may hold transferable securities, which may include other pooled vehicles and other instruments that in the judgement of the Manager replicate this requirement, although the scheme property of the Funds may also include debt securities, money market instruments, warrants and deposits to the extent set out in the prospectus of the Trust and as permitted by the FSA Regulations.</p> <p>European Fund No single holding of European (excluding UK) securities may be greater than 6.25% of the Fund at the time of investment, however up to 5% of the Fund may be invested in other markets.</p> <p>UK Equity Fund</p>

	<p>No single holding of UK securities may be greater than 6.25% of the Fund at the time of investment, however up to 5% of the Fund may be invested in other markets.</p> <p>The Funds' investment policy is subject to the Manager's ethical policy of combining Christian ethics and investment returns. Securities issued by organisations whose business is wholly or mainly involved in alcohol, armaments, gaming, pornography or tobacco will be excluded from the investment portfolio. The Manager will also review other matters such as environmental performance, corporate governance and social justice issues when making investment decisions. Where exclusion is not the appropriate response, the Manager will use its influence to encourage companies to improve their social responsibility performance. Advice on ethical issues related to investments may be sought by the Manager from the Methodist Church Joint Advisory Committee on the Ethics of Investment or similar body.</p> <p>Both Funds may use derivative and forward transactions solely for the purposes of hedging.</p> <p>The Manager does not intend to have an interest in any immovable property or tangible movable property for the direct pursuit of its business.</p>
<p>What is the risk profile of the Funds?</p>	<p>Investors should note that details of the risk factors are set out in full in the Prospectus.</p> <p>The following specific risk factors apply to the Funds:</p> <p><i>Market Fluctuations</i> Investments in the Funds will involve exposure to those risks normally associated with investment in shares, money market instruments, deposits, warrants, collective investment schemes and derivative and forward transactions. As such, the price of shares and the income from them can go down as well as up and an investor may not get back the amount he has invested. There is no assurance that the investment objectives of any Fund will actually be achieved.</p> <p><i>Currency</i> Values in pounds sterling terms of investments that are not denominated in pounds sterling may rise and fall purely on account of exchange rate fluctuations which will have a related effect on the price of shares.</p> <p><i>Ethical</i> The exclusion of certain stocks due to the ethical policy of the Funds may have an adverse impact relative to the performance of the benchmark.</p> <p><i>Smaller Companies</i> The Funds may have significant investments in smaller companies, in which there may be no established market for the shares, or the market may be highly illiquid. Because of this potential illiquidity in the investments of certain Funds, such Funds may not be appropriate for all investors, including those who are not in a position to take a long-term view of their investment.</p> <p><i>Emerging Markets</i> The Funds may invest in emerging markets which are undergoing rapid growth and regulatory change. Emerging markets present additional risks to those normally encountered in developed securities markets. These risks may be political, social and economic in nature and may be complicated by inflationary pressures and currency depreciation. The accounting and financial reporting standards, practices and disclosure requirements in some of the countries in which investments may be made may differ from those experienced in more developed markets. Similarly, reliability of the trading and settlement systems in such markets and the liquidity of these markets may not be equal to those available in more developed markets and this could lead to delays in settlement or affect the price at which investments could be realised. Government influence or control of private companies in some countries may be significant and investments may be exposed to the risks of political change, political uncertainty or governmental action. Such assets could be expropriated, nationalised, confiscated or subjected to changes in legislation relating to foreign ownership. The value of investments in emerging markets may therefore be adversely affected by political and/or economic conditions, which would, in turn,</p>

	<p>adversely impact on the performance of the Funds and their share price.</p> <p><i>Cross liability between Funds</i> Although each Fund so far as possible will be treated as bearing the liabilities, expenses, costs and charges attributable to it, if its assets are not sufficient the ACD may re-allocate assets, liabilities, expenses, costs and charges between the Funds on a manner which is fair to the shareholders of the Company generally. The ACD would normally expect any such re-allocation to be effected on a pro rata basis having regard to the Net Asset Value of the relevant Funds.</p> <p><i>Credit Risk for the Funds</i> There is a risk that an issuer or counterparty will default.</p> <p><i>Settlement Risks for the Funds</i> A settlement in a transfer system may not take place as expected because a counterparty does not pay or deliver on time or as expected.</p> <p><i>Liquidity Risk for the Funds</i> There is a risk that a position cannot be liquidated in a timely manner at a reasonable price.</p> <p><i>Performance Risk</i> Investors are reminded that risk levels will depend on individual fund selections, and the existence, absence of, or restrictions on any guarantees given by third parties.</p> <p><i>Risk to Capital</i> This includes potential risk of erosion resulting from withdrawals or cancellations of units and distributions in excess of investment returns.</p>	
<p>What is expected to be the profile of the typical investor?</p>	<p>Both Funds are suitable for all retail investors. However, a Fund's suitability for investors will depend on the investor's own requirements and their attitude to risk. Investors should be aware of and understand the risks associated with the Trust before investing; the risks associated with the Trust are detailed under 'What is the risk profile of the Funds'. If you have any doubt as to whether the investment is suitable for you, please consult a financial adviser.</p>	
<p>What is the Funds' distribution policy?</p>	<p>Distributions of income in respect of Income Units for each Fund are paid on or before the annual income allocation date of 15 December and on or before the interim allocation dates of 15 March, 15 June and 15 September in each year.</p> <p>If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Trust.</p> <p>The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Fund in respect of that period, and deducting the charges and expenses of the relevant Fund paid or payable out of income in respect of that accounting period. The Manager then makes such other adjustments as it considers appropriate (and after consulting the auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and any other adjustments which the Manager considers appropriate after consulting the auditors.</p>	
<p>What are the charges and expenses associated with investment in the Funds?</p>	<p>Maximum Switching Fee (between Funds)</p> <p>Redemption Fee</p> <p>Manager's Initial Charge</p>	<p>The fee will not exceed an amount equal to the then prevailing initial charge for the class into which the units are being switched. The switching fee is payable to the Manager. At present no switching fee is charged, although one may be imposed in due course.</p> <p>There are no redemption charges currently imposed.</p> <p>No initial charge is currently imposed.</p>

	Annual Management Charge	European Fund: 0.35% for Income Units, nil for CFB Income Units UK Equity Fund: 0.3% for Income Units, nil for CFB Income Units				
	Trustee fee	European Fund and UK Equity Fund: 0.04%. The fee is payable out of the property attributable to each Fund.				
	Trustee's custody fee	Custody charges vary from country to country depending on the markets and the value of the stock involved and are payable to the Trustee out of the property attributable to each Fund. Maximum and minimum fees in respect of the Funds are set out below: <ul style="list-style-type: none"> • Maximum: 0.055% per annum • Minimum: 0.005% per annum 				
	Trustee's transaction charges	These vary from country to country and are payable to the Trustee out of the property attributable to each Fund. Maximum and minimum fees in respect of the Funds are set out below: <ul style="list-style-type: none"> • Maximum: £65 • Minimum: £15 				
	Dilution levy	European Fund and UK Equity Fund: 0.30% A complete list of fees can be found in the Prospectus for the Trust.				
Estimate of Expected Costs						
Based on the value of the Funds at the date of this Prospectus being £5 million for the UK Equity Fund and £25 million for the European Fund, the estimate of charges are as follows:						
1. annual management charge for the UK Equity Fund is £15,000 and the European Fund is £87,500.						
2. trustee fee is £2,000pa for the UK Equity Fund and £10,000pa for the European Fund						
3. Auditors' fees and expenses, administration and registration costs, and other costs are anticipated to be approximately £5,000 per fund.						
Reduction in Yield						
Illustration of the effect of Charges on the Fund						
The effect of charges on an investment of £5,000 in any particular Fund, assuming growth of 6% a year, is set out below. The growth rate is not guaranteed; it is purely used for the purpose of demonstrating the effect of charges and expenses on an investment of £5,000 into a particular Fund. The approximate net distribution yield of the Fund is listed in the table below. For the purpose of the table any income has been deemed to be distributed to the unitholders. Please note that £5,000 is below the minimum investment for the Fund and is therefore a notional example.						
	At end of year	Effect of deductions to date £	Income to date £	What you might get back £	Annual net Investment growth after Charges	Net annual yield
European Fund	1	23.06	129.8	5,429.51		

Management Charge of 0.35% and an Initial Charge of 0%)	5	161.71	768.75	7,549.56		
	10	493.55	1,929.50	11,399.17	8.59%	2.59%
UK Equity Fund (Based on an expected Annual Management Charge of 1% and an Initial Charge of 0%.)	1	23.69	139.10	5,439.10		
	3	84.48	455.01	6,436.36		
	5	167.35	828.84	7,616.47		
	10	515.44	2,091.41	11,602.13	8.78%	2.78%

The last line in the table for European Fund shows that over 10 years the effect of the total charges and expenses could amount to £493.55. Putting it another way, this would have the same effect as bringing investment growth from 9.05% a year down to 8.59% a year.

The last line in the table for UK Equity Fund shows that over 10 years the effect of the total charges and expenses could amount to £515.44. Putting it another way, this would have the same effect as bringing investment growth from 9.26% a year down to 8.78% a year.

Historical Performance Data

There is no historical performance data currently available since the Funds are newly launched.

Note:

Transaction costs and out of pocket expenses of the Manager and the Trustee are also payable by the Fund.

For further information on the fees payable by the Funds, reference should be made to the full Prospectus.

How is the Fund taxed?

The following summary is based on current United Kingdom (“UK”) law and HM Revenue & Customs practice. It is intended to offer guidance to persons (other than dealers in securities) on the UK taxation of unitholders. However, it should not be regarded as definitive nor as removing the desirability of taking separate professional advice. If investors are in any doubt as to their taxation position they should consult their professional adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

Tax on Distributions

Each Fund may pay a dividend distribution reflecting any income arising from its property. Dividend distributions are paid with a 10% tax credit. Individual investors liable to income tax at the basic rate will have no further liability to tax. Dividends are added to an individual’s income and taxed at income tax rates. Higher-rate taxpayers will have an additional liability to income tax of 25% of the net dividend. Non-taxpayers cannot reclaim the tax credit.

Non-Residents

Unitholders who are non-UK resident will generally not be able to reclaim the tax credit attributed to the distribution even if a double taxation agreement exists between the UK and their country of residence.

Corporate Unitholders

Dividend distributions will be streamed into franked and unfranked income for unitholders chargeable to UK corporation tax, according to the underlying gross income of the fund. The unfranked element will be treated as an annual payment, which has been subject to income tax at a rate of 20%, and the unitholder may therefore be liable to further tax.

Capital Gains Tax

Capital gains made by individual unitholders on disposals or as a result of a chargeable event (which may include switches between funds) will be tax-free if they fall within an individual’s annual capital gains exemption. For the tax year 2006/2007, the first £8,800 of an individual’s chargeable gains (that is after deduction of allowable losses and taper relief) are exempt from capital gains tax; gains in excess of this amount are added to an individual’s income and taxed at

	<p>income tax rates.</p> <p>Capital gains made by unitholders liable to UK corporation tax will be taxable at corporation tax rates.</p> <p>Stamp Duty and Stamp Duty Reserve Tax With effect from 6 February 2000 Stamp Duty Reserve Tax (“SDRT”) was introduced, as provided for within the Finance Act 1999. SDRT is only applicable to funds which invest wholly or in part in UK equities.</p> <p>SDRT is charged at the rate of 0.5% of the value of the units surrendered in a weekly charging period. The amount of this charge is then reduced by the proportion by which sales of units are less than surrenders, by number, in that week and the following week. This charge is also reduced by the proportion of the fund which is invested in exempt assets – that is those other than UK equities.</p> <p>In simple terms, this has the effect of charging a 0.5% tax on the value of each surrender of units, where those units are subsequently sold to another investor, and in proportion to how much of that fund invests in UK equities.</p> <p>The Manager settles this liability from the assets of the Trust itself. This will obviously reduce the assets of the Trust. It is the Manager’s estimate that the effect of this will be immaterial compared to the total assets of the Trust.</p> <p>In order to compensate the Trust for this liability, the Manager is entitled to charge a “Provision” against SDRT to both buyers and sellers of units. This provision would be added to the purchase price of units when they are bought, or deducted from the sales proceeds when sold. It would then be paid to the Trust. Obviously this would cause the purchase price to the investor to rise, or the sales proceeds to fall.</p> <p>It is not the Manager’s intention to charge a Provision against SDRT to buyers or sellers of units on normal transactions.</p> <p>However, the Manager reserves the right to charge a SDRT Provision of up to 0.5% of its value, on a deal in any of the following circumstances:</p> <p>(a) A single deal which exceeds 5% of the value of a Fund itself, and in the estimation of the ACD, is likely to cause a significantly abnormal liability to SDRT falling on the Fund;</p> <p>(b) On a non pro-rata in specie redemption; and</p> <p>(c) On a third party transfer of units.</p> <p>The Manager estimates it will impose an SDRT provision infrequently.</p> <p>The above statements are only intended as a general summary of UK tax law and practice as at the date of this Simplified Prospectus (which may change in the future) applicable to individual and corporate investors who are the absolute beneficial owners of a holding in the Trust and their applicability will depend upon the particular circumstances of each investor. In particular, the summary may not apply to certain classes of investors (such as dealers in securities). Any investor who is in any doubt as to his UK tax position in relation to the Trust should consult his UK professional adviser.</p>
<p>How do you buy/sell units?</p>	<p>The dealing office of the Manager is open from 9.00 am until 5.00 pm on the business day prior to each Dealing Day - or during business hours as agreed from time to time with the Trustee - to receive requests for the issue, redemption and switching of units, which will be effected at prices determined at the next valuation point following receipt of such request.</p> <p>Units can be bought by sending a completed application form to the Manager. Applications forms are available from the Manager. Applications must be accompanied with the appropriate funds in the form of a cheque or bank transfer.</p>

	<p>The Manager has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for units in whole or part, and in this event the Manager will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the Manager may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.</p> <p>Any subscription monies remaining after a whole number of units has been issued will not be returned to the applicant. Instead, smaller denomination units will be issued in such circumstances.</p> <p>The minimum initial and subsequent subscription levels, and minimum holdings, for each Fund are as follows:</p> <p>European Fund:</p> <p>Minimum initial investment: £250,000 Minimum subsequent investment: £250,000 Minimum holding: £250,000</p> <p>UK Equity Fund:</p> <p>Minimum initial investment: £250,000 Minimum subsequent investment: £250,000 Minimum holding: £250,000</p> <p>The Manager may at its discretion accept subscriptions lower than the minimum amount. If a holding is below the minimum holding for that class of units, the Manager has a discretion to require redemption of the entire holding.</p> <p>Every unitholder has the right to require that the Trust redeem his units on any Dealing Day unless the value of units which a unitholder wishes to redeem will mean that the unitholder will hold units with a value less than the required minimum holding for the Fund concerned, in which case the unitholder may be required to redeem his entire holding.</p> <p>Requests to redeem units must be made in writing to the Manager, unless otherwise agreed with the Manager.</p> <p>Switching may be effected in writing to the Manager and the unitholder may be required to complete a switching form (which, in the case of joint unitholders must be signed by all the joint holders). A switching unitholder must be eligible to hold the units into which the switch is to be made.</p>
<p>Where will prices of units be published?</p>	<p>The most recent price of units is available by calling the Manager on 020 7496 3636 and will also appear on the Manager's website www.epworthinvestment.co.uk.</p>
<p>What cancellation rights do I have?</p>	<p>If you have invested as a result of receiving investment advice and you are resident of the UK you may have cancellation rights. If you do have a right to cancel, we will send you a Cancellation Notice which entitles you to cancel your purchase at any time during the 14-day period after receipt of the Cancellation Notice. In the event of you wishing to cancel the contract by writing to the Manager at 9 Bonhill Street, London, EC2A 4PE you are entitled to have repaid to you any money you have paid the company subject to a deduction (if any) by which the value of your investment has fallen at the time which your cancellation form is received. This may result in a loss on your part.</p>
<p>What if something goes wrong, am I entitled to compensation?</p>	<p>In the event of default by the manager, compensation may be available under the UK Financial Services Compensation Scheme (FSCS). Maximum compensation available amounts to £50,000. Further information on compensation arrangements is available from FSCS Helpline on 020 7892 7300 and on the FSCS website: www.fscs.org.uk</p>
<p>What do I do if I have a complaint?</p>	<p>Complaints concerning the operation or marketing of the Trust should be referred to the compliance officer of the Manager at 9 Bonhill Street, London, EC2A 4PE in the first instance. If</p>

	the complaint is not dealt with satisfactorily then it can be made direct to The Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.
How will I be able to follow the progress of my investment?	Use this link to view prices for this fund: www.epworthinvestment.co.uk . Unitholders can also obtain the price of their units by calling the Manager on 020 7496 3636. Annual reports (both long and short) will be published within four months of each annual accounting period and half yearly reports (both long and short) will be published within two months of each interim accounting period. Unitholders will be sent the short report although the long report will be available on request. The reports will tell you about each Fund's investments held within the portfolio, as well as performance and prospects for the following period.

Additional Important Information	<p>Manager Epworth Investment Management Limited 9 Bonhill Street London EC2A 4PE</p> <p>Trustee HSBC Bank plc 8 Canada Square London E14 5HQ</p> <p>Auditors Mazars Tower Bridge House St Katharine's Way London E1W 1DD</p> <p>Supervisory Authority The Financial Services Authority 25 The North Colonnade Canary Wharf London E14 5HS</p>
Where can further information be obtained?	<p>For further information, please contact the Manager at the following address:</p> <p>Peter Forward Epworth Investment Management Limited 9 Bonhill Street London EC2A 4PE</p> <p>The most recent annual and half-yearly reports of the Trust, the Trust's full Prospectus and the Trust Deed (and any amendment to the Trust Deed) may be obtained free of charge at the offices of the Manager between 9.00a.m. and 5.00p.m. every business day.</p>