



# EDENTREE INVESTMENT FUNDS FOR CHARITIES

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Annual Report and Audited Financial Statements

For the year ended 30 June 2017



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# Management Contact Details

## Authorised Corporate Director

The Authorised Corporate Director (ACD) is EdenTree Investment Management Limited (EIM). The investments of EdenTree Investment Funds for Charities (EIFC) are managed by the ACD. The ACD has prepared financial statements that comply with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014.

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Gloucester GL1 1JZ

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Authorised and regulated by the Financial Conduct Authority

## Constitution

EIFC (referred to as the "Company") is an Open-Ended Investment Company (OEIC). It has variable capital and was incorporated with limited liability under the Open-Ended Investment Companies Regulations 2001 (OEIC Regulations) in Great Britain under registered number IC 000866. It is authorised and regulated by the Financial Conduct Authority as a non-UCITS retail scheme.

The Company is an 'umbrella' company and comprises of two authorised investment securities sub-funds (individually referred to as the "Fund").

## AIFMD Disclosures

The provisions of the Alternative Investment Fund Managers Directive ("AIFMD") took effect in full on 22 July 2014. That legislation requires the fund manager, EIM (the "AIFM"), to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management.

## Directors of EdenTree Investment Management Limited

MCJ Hews, BSc, FIA (Chairman)  
SJ Round  
RW Hepworth  
RDC Henderson  
IG Campbell

## Ultimate Parent Company of the ACD

Allchurches Trust Limited  
Beaufort House, Brunswick Road,  
Gloucester GL1 1JZ

## Depositary

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

Authorised and regulated by the Financial Conduct Authority

## Registrar

Northern Trust Global Services Limited  
50 Bank Street, Canary Wharf,  
London E14 5NT

## Auditor

Deloitte LLP  
Statutory Auditor  
110 Queen Street  
Glasgow G1 3BX

# Report of the Authorised Corporate Director - Investment Environment

## Investment Environment

Over the last twelve months, global investment markets have been heavily influenced by political events and the rhetoric of global central bankers. Investors witnessed the poll-defying election of Donald Trump as the forty-fifth president of the United States, heightened geo-political tensions surrounding North Korea, the calling of a snap general election in the UK, three interest rate hikes from the Federal Reserve and the mould-breaking victory of the independent presidential candidate Emmanuel Macron in France. Through all of this, global equity markets continued to move higher, with the FTSE World Index registering a return of 16.5% (in dollar terms), with equity markets in emerging economies outperforming their counterparts in developed economies. Global bond markets underperformed risk assets and concluded the year in negative territory, largely due to heightened levels of uncertainty surrounding political developments and the future path of monetary policy. In terms of global commodity markets, performance was mixed, as industrial metal prices rallied on renewed optimism surrounding global demand, while Brent crude fell 3.5% (in US dollar terms), reflecting the return of supply in countries such as Libya and Nigeria and the remarkable growth in US Shale, where the number of active rigs has grown by 250 (or 50%) since the OPEC cuts were announced.

## UK

After an extended honeymoon period following the EU referendum in June 2016, during which growth and confidence was better than anticipated, optimism began to wane in the later stages of the twelve month period, after the Prime Minister invoked Article 50 of the Lisbon Treaty, and the surprise decision by the UK prime minister to call a snap general election. At the time it was widely anticipated that the Conservative Party would strengthen their majority, putting them on a stronger footing before the start of Brexit negotiations. However, a badly handled campaign and a resurgent Labour Party culminated in a hung parliament, with the Conservatives winning 318 out of the 326 seats required to secure an absolute majority.

Recent economic readings have indicated a more muted near-term outlook. Inflation, at 2.9%, is higher than the level at which the Bank of England (BoE) expected it to peak this year, while wage growth, at 2.1% including bonuses, is well below inflation, effectively delivering a pay cut to millions of UK households. Therefore, unsurprisingly, retail sales grew at a slower pace over the final three months of the year and the housing market also showed signs that it was beginning to slow.

The UK equity market got off to a strong start but grew more volatile as the year progressed amid increasing uncertainty surrounding the domestic economic outlook, political backdrop and the future path of monetary policy. The FTSE All-Share Index delivered a gain of 13.9%, underperforming the global market, however, the FTSE 100 Index return of 12.4% somewhat overshadowed the stronger performance delivered by both the FTSE 250 Mid-Cap of 18.9% and FTSE Small-Cap of 24.9% indices. In terms of sector performance, Basic Materials led the gains, against the backdrop of more supportive macroeconomic data, most notably from China. The Financials sector also delivered strong returns as a steepening yield curve and individual self-help initiatives improved the prospects for profitability for many of the constituents. The technology sector also performed strongly as many of the sector's constituents continued to deliver profit and cash flow growth at a higher rate relative to the broader market. Conversely, Utilities was the major laggard over the period, as mounting political risk surrounding energy prices in the build-up to the general election negatively impacted the share prices of a number of the sector's incumbents.

In broad terms, the UK fixed interest market has come off the boil since last summer, but held its ground better than many would have anticipated at the beginning of the year. Yields soared as fears of "secular stagnation" turned into worries about higher inflation, with President Trump's reflationary policies in the US adding fuel to a recovering global economy just as headline inflation numbers were bouncing along with commodity prices. The yield on the 10-year gilt jumped from 0.9% in June to 1.5% in January (having been as low as 0.5% last August), but moved sharply higher to 1.23% in the later stages of the twelve month period following comments from central bank leaders in the US, Europe and the UK, which were taken as signalling increased hawkishness.

## Europe

While the media and financial commentators remained transfixed by political developments and the threat of disruptive populist agendas across the continent, the Eurozone economy quietly continued on its path to recovery, and equity markets as a result, showed strong returns over the twelve month period. The FTSE World Europe (excluding the UK) Index delivered a return of 17.7%, however, the relative strength of the euro lifted returns for UK-based investors to 23.7% for the twelve month period. The broad-based improvement in the region's economy was highlighted by the drop in the unemployment to a post-financial-crisis low. At nearly 10%, the jobless rate remains much higher than in the UK or US but it now stands at its best level since March 2009. Meanwhile, business surveys indicate the highest rate of growth in services and manufacturing for six years.

On the political front, the Netherlands and France both held major

elections during the period. The French presidential election was the key focus and sparked a relief rally in May following the convincing victory of the centrist and pro-EU candidate Emmanuel Macron, with his new party also winning a significant proportion of seats in the legislative elections. Markets responded positively as this should enable him to push through his reform agenda and the risk of a eurozone break-up has greatly diminished.

At a country level, benchmarks in Spain and Italy were the strongest performers. These equity markets were buoyed by positive domestic economic developments, such as falling unemployment and rising economic output. The relative strength in the euro over the period also provided a boost to peripheral economies, as these benchmarks are largely compiled of companies that are more reliant on the domestic economy rather than export-related demand.

## US

The US equity market barely paused for breath over the twelve month period and at one point achieved 110 consecutive days without experiencing a daily fall of more than 1%, the longest streak of calm since 1995. The S&P 500 Index generated a return of 15.5%, however the dollar's relative strength increased this for UK-based investors to 17.8%. The key support for the market was rising corporate profits (versus expectations), most notably in the areas of the market such as technology where a handful of companies like Google, Amazon, Facebook and Apple are able to derive oligopolistic profits in business areas that they dominate.

The underlying economic picture in the US remains reasonable. Consumer spending data remained resilient, adding to hopes the US economy would bounce back in the second quarter following GDP growth of 1.4% in Q1 (annualised). The economy is still creating new employment opportunities, despite the unemployment rate standing at a historically low level. Monetary policy was tightened at a manageable pace over the period, with the US Federal Reserve raising interest rates by a quarter of a percent on two occasions, in March and in June and the Federal Open Market Committee set out detailed plans to reduce its balance sheet.

Fiscal policy is slower to provide a boost than the optimists hoped but, with the 2018 mid-term elections looming, it could start to pick up. President Trump campaigned successfully on highly reflationary policies, including aggressive tax cuts and a big boost to infrastructure spending (although there remain a lot of questions about how he can afford it). However, since his inauguration, the reality of getting things done in Congress has been rather more difficult. The President's first big legislative aim was to repeal his predecessor's flagship health insurance programme, the Affordable Care Act (widely known as Obamacare), and he failed even to get it to a vote, realising that he would lose. The savings

that would have been made had he pushed the repeal through were meant to fund other initiatives, so now those aims are being questioned.

#### Asia Pacific (Excluding Japan )

In Asia, the region's equity markets recorded solid gains over the period. The FTSE World Asia Pacific (excluding Japan) Index delivered a return of 23.3% (in pound sterling terms), outperforming the global benchmark. This came on the back of improving data for the Chinese economy and a broader risk-on approach from global investors. Chinese equities were buoyed by better-than-anticipated economic data while the equity market in Hong Kong tracked China markets higher on investor optimism following a solid first quarter earnings results season for its blue-chip heavyweights. Korean equities were among the region's best performers during the period following the election of new President Moon Jae-In, who is looking to reinvigorate the economy and implement meaningful corporate governance reforms.

#### Japan

In Japan, economic growth continued in the first quarter of the year, resulting in the fifth consecutive quarter of economic expansion, the first time in more than a decade that the country has had such a run of improvement. A robust corporate earnings season, improving corporate governance and weakness in the Japanese currency also provided support to the domestic equity market, although returns failed to keep pace with regional or global indices. The Nikkei 225 Index delivered a return of 28.6% over the period, however, weakness in the Japanese currency reduced returns for pound sterling investors to 20.5%.

#### Outlook

Although the last twelve months' returns have benefitted from further economic expansion globally, some of the gains are a result of the worst fears not being met. We have witnessed extraordinary beginnings to Donald Trump's presidency, however, he has not carried out his most extreme policy initiatives and the politically disruptive force of populism in Europe appears to have faded for now. The surprise outcome of the UK General Election in June, resulting in the failure of the Conservative government to establish an outright majority, is likely to increase political uncertainty and especially the complexity of the negotiations regarding the exit from the EU. The UK economy has remained remarkably buoyant in the 12 months since Brexit, but there are concerns over rising inflation, a sharp deceleration in retail sales and anaemic wage growth and thus the ability of the highly indebted UK consumer to remain the engine for GDP growth. Elsewhere European growth continues to power ahead with the possibility of a more settled political climate, at least for the moment. The US fiscal stimulus and tax cutting programme of the new administration seems likely to continue to be tied up in Congress. Given that many global central bankers are focusing on monetary policy normalisation and "Brexit" negotiations are ongoing, it is likely that the

path of global investment markets continues to be dictated by the decisions of politicians and policymakers over the course of the year ahead.

# Investment Objectives and Policies

These Funds are marketable to all UK registered charitable organisations, that is any body, organisation or trust that has been established exclusively for charitable purposes.

These Funds will consist primarily of transferable securities but may also invest in units in collective investment schemes (both regulated and unregulated), money market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash or near cash as deemed economically appropriate to meet the Fund's objectives.

The Funds will invest in derivatives only for the purposes of hedging, with the aim of reducing the risk profile of the Funds in accordance with principles of efficient portfolio management. Derivatives can expose the Scheme Property to a higher degree of risk. The investment policy of the Funds can only be changed to include investment in derivatives in order to meet its investment objectives by giving 60 days' notice to shareholders. If derivatives are used for the purpose of meeting the investment objective of the Fund in future this may alter the risk profile of the Funds.

## Amity Global Equity Income Fund for Charities

The Fund's primary objective is to provide an above average income yield with a secondary aim of achieving capital appreciation over the longer term.

The Fund seeks to primarily invest in a diversified portfolio of higher yielding equities of UK and international companies which make a positive contribution to society and the environment through sustainable and socially responsible practices.

The Fund seeks to avoid investment in certain areas such as companies which have material involvement in alcohol, tobacco, weapon production, gambling and publication of violent or explicit materials and companies using animals to test cosmetic or household products. The ACD's socially responsible investment approach and research is made available to investors on request.

## Amity Balanced Fund for Charities

The Fund is a Tax Elected Fund and aims to achieve a balance between capital growth and income.

The Fund seeks to primarily invest in a diversified portfolio of UK and international equities and fixed interest securities issued by governments and companies which make a positive contribution to society and the environment through sustainable and socially responsible practices.

The Fund seeks to avoid investment in certain areas such as companies which have material involvement in alcohol, tobacco, weapon production, gambling and publication of violent or explicit materials and companies using animals to test cosmetic or household products. The ACD's socially responsible investment approach and research is made available to investors on request.

# Risk Profile

## Amity Global Equity Income Fund for Charities

The investment's value may be affected by changes in exchange rates.

The equity markets invested in might decline, thus affecting the prices and values of the assets.

All expenses are taken from capital not income so the capital value of the Fund could be reduced over time.

Some of the investments may be in emerging markets, which can be more volatile and carry risks associated with changes in their economies and political status. Also they may not offer the same level of investor protection as would apply in more developed jurisdictions.

Selecting stocks due to our ethical criteria means that the choice of stocks is limited to a sub-set of the stock market and this could lead to greater volatility.

## Amity Balanced Fund for Charities

Most of the assets are invested in the UK and overseas equities so will be impacted by volatility in the equity markets.

The Fund holds Corporate and Government bonds of a spread of durations.

The various bonds have a spread of different security ratings as the investment managers do not set minimum security standards for such bonds.

All expenses are taken from capital not income so the capital value of the Fund could be reduced over time.

An issuer of fixed interest stock may default, so causing a reduction in the capital and income value of the Fund.

The investment's value may be affected by changes in exchange rates and interest rates.

Selecting stocks due to our ethical criteria means that the choice of stocks is limited to a sub-set of the stock market and this could lead to greater volatility.

# Amity Global Equity Income Fund for Charities

## Report of the Authorised Corporate Director

This review covers the year from 1 July 2016 to 30 June 2017.

Over the course of the year under review, the Amity Global Equity Income Fund returned 27.0%, outperforming the FTSE World index return of 22.9%.

The Fund's overweight positions in the UK and Europe ex UK delivered positive returns, whilst the underweight positions in the US and Asia ex-Japan were detractors on performance. Japan was a positive contributor, despite the Fund's underweight position, driven by a combination of stock selection and currency tailwinds. At a currency level, greater exposure to the Euro added to performance, whilst lower exposure to the US dollar was a headwind.

At sector level, the Fund benefitted from being overweight in Financials, Basic Materials and Healthcare which performed strongly. The overweight positions in Telecoms and Technology and underweight in Consumer Goods acted as a drag on performance.

At a stock level Bioventix (Biotechnology), ING Group (Banks), ASR Nederland NV (Insurance) and Sumitomo Mitsui Financial (Banks) were amongst the top contributors, whilst top detractors included Roche (Pharmaceuticals), AT&T (Telecoms), Pfizer (Pharmaceuticals) and Zojirushi (Consumer Discretionary).

In respect of Fund activity, notable new holdings included Tarena International ADR (Education Services), Aris Biosciences (Healthcare), Lloyds Banking Group (Banks), Autoliv ADR (Auto Parts), Taiwan Semiconductor Manufacturing ADR (IT), ASR Nederland NV (Insurance), Microsoft (IT), Nestle (Consumer Staples), AkzoNobel (Chemicals), Borregaard (Chemicals), Zojirushi (Consumer Discretionary), Novo Nordisk 'B' (Pharmaceuticals), TechnoPro Holdings (IT Services), and NXP Semiconductors (IT).

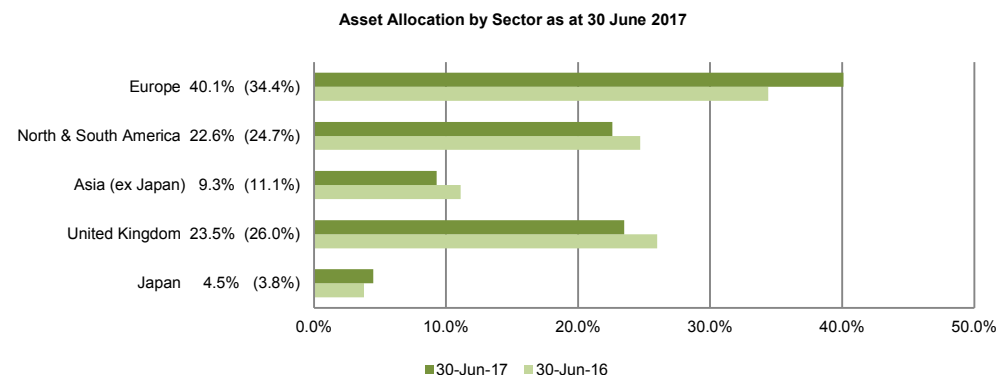
The positions in several holdings were augmented – Mears Group (Support Services), Pfizer (Pharmaceuticals), Munich RE (Insurance) and Merck (Pharmaceuticals) - businesses with resilient business models and solid cash flows which were on attractive ratings. Positions in Carillion (Industrials), Luk Fook (Retail), Samson (Consumer Discretionary), Rexel (Industrials), Mapletree Industrial Trust (Real Estate), AT&T (Telecoms), Trinity (Retail Discretionary), Vodafone (Telecoms), Kinder Morgan (Energy), Canon (Hardware), Ericsson (Telecoms), Intel (IT), Verizon (Telecoms) were sold off entirely. The positions in Siemens (Industrials), Minth (Auto Parts) and Bioventix (Biotechnology) were trimmed following strong performance.

## Prospects

The surprise outcome of the UK General Election in June, resulting in the failure of the Conservative government to establish an outright majority, is likely to increase political uncertainty and especially the complexity of the negotiations regarding the exit from the EU. The UK economy has remained remarkably buoyant in the 12 months since Brexit, but there are concerns over rising inflation, a sharp deceleration in retail sales and anaemic wage growth and thus the ability of the highly indebted UK consumer to remain the engine for GDP growth. Elsewhere European growth continues to power ahead with the possibility of a more settled political climate, at least for the moment. The US fiscal stimulus and tax cutting programme of the new administration seems likely to continue to be tied up in Congress. Within this context we continue to adhere to our bottom-up, stock-picking investment process, taking a long-term view and seeking out attractively valued companies with sound balance sheets and strong growth outlooks who have temporarily fallen out of favour with markets and therefore represent enticing buying opportunities.

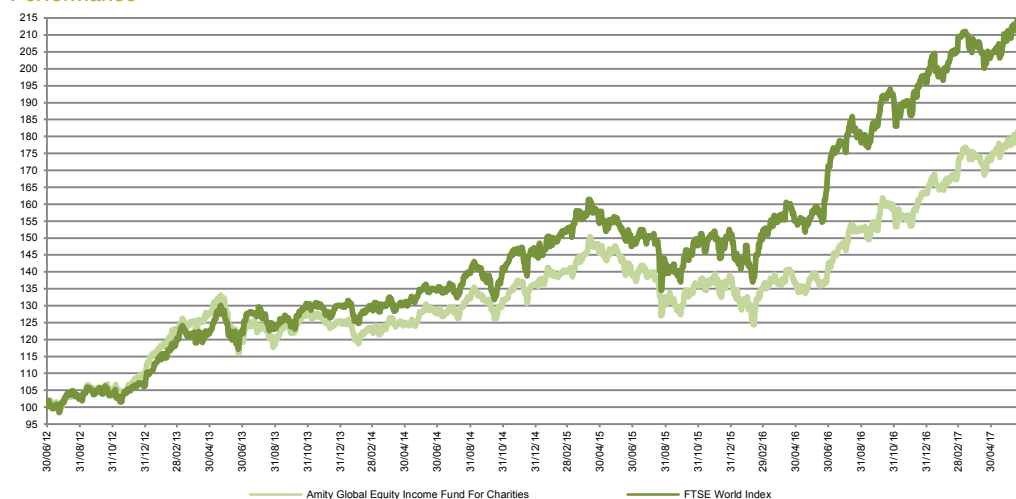
## Asset allocation by sector 30 June 2017

The figures in brackets show allocation at 30 June 2016



Figures exclude cash

## Performance



Graph showing the return of the Amity Global Equity Income Fund for Charities compared to FTSE World Index from 30 June 2012 to 30 June 2017, mid-to-mid basis excluding initial charges with gross income reinvested. Prices re-based to 100. Source: Morningstar.

# Amity Global Equity Income Fund for Charities

## Performance

	Amity Global Equity Income Fund for Charities Total Return	FTSE World Index Total Return
01/07/16 – 30/06/17	27.0%	22.9%
01/07/15 – 30/06/16	0.9%	14.6%
01/07/14 – 30/06/15	8.5%	9.9%
01/07/13 – 30/06/14	6.1%	10.0%

Table showing % return of the Amity Global Equity Income Fund for Charities against FTSE World Index. Figures compared on a mid-to-mid basis excluding initial charges with gross income reinvested. Source: Morningstar.

## Major Holdings

Top ten holdings	Percentages of total net assets at 30 June 2017
Bioventix	3.34%
ASR Nederland NV	3.26%
Cisco Systems	3.03%
ING Group	2.98%
Microsoft	2.86%
Taiwan Semiconductor Manufacturing ADR	2.78%
AXA	2.60%
Victrex	2.53%
GlaxoSmithKline	2.50%
Wells Fargo	2.40%

## Fund Information

The Comparative Table opposite gives the performance of the only active share class in the Fund.

The 'Return after charges' disclosed in the Comparative Table is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the Fund's performance disclosed in the ACD's report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a Fund in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Fund.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

## Class A

	2017 pence per share)	2016 pence per share)	2015 pence per share)
Change in Net Asset Value per Share			
Opening net asset value per share	101.83	103.88	99.10
Return before operating charges*	26.27	3.05	9.48
Operating charges	(1.13)	(0.91)	(1.00)
Return after operating charges*	25.14	2.14	8.48
Distributions on income shares	(4.18)	(4.19)	(3.70)
Closing net asset value per share	122.79	101.83	103.88
* after direct transaction costs of**:	0.11	0.08	0.27

## Performance

Return after charges	24.69%	2.06%	8.56%
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## Other information

Closing net asset value (£'000)	11,134	9,242	8,579
Closing number of shares	9,067,365	9,076,191	8,258,419
Operating charges†	0.97%	0.91%	0.95%
Direct transaction costs	0.10%	0.08%	0.26%

## Prices

Highest share price	128.20	106.40	114.60
Lowest share price	101.70	92.14	97.14

\*\*Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

†Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last period's figures.



# Amity Global Equity Income Fund for Charities

## Risk Reward Profile



The risk category above is not a measure of capital loss or gains, but of how significant the rises and falls in the Share Class price have been historically.

For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas, a share class whose price has experienced less significant rises and falls will be in a lower risk category.

As the Share Class risk category has been calculated using historical data, it may not be a reliable indication of the Share Class future risk profile.

Please note that the Share Class risk category may change in the future and is not guaranteed. The lowest risk category does not mean a risk free investment.

The Share Class is in risk category 5 as its price has experienced significant rises and falls historically.

# Amity Balanced Fund for Charities

## Report of the Authorised Corporate Director

This review covers the year from 1 July 2016 to 30 June 2017.

Over the course of the year under review, the Amity Balanced Fund returned 14.0%, outperforming the 10.6% return of the composite benchmark. The FTSE World index realised a 23.0% gain over the period while the FTSE Gilts All Stocks index posted a -0.9% return.

Global equity markets performed well over the period as the developed world experienced synchronised growth across all the major economies and Chinese growth began to accelerate after a soft patch in 2016. The UK equity market also performed well but failed to keep pace with the global equity markets with the FTSE All-Share UK equity index returning 18.1%.

The gilt yields declined for much of the period before rising sharply towards the end.

The fund benchmark is split 50/50 between a UK gilt index and a global equity index. The current asset allocation varies substantially from this with only 35% invested in UK fixed interest instruments and 65% invested in UK and overseas equities. The underweight position towards fixed interest was due to our belief that the gilt market is currently expensive with gilt yield down at low levels (especially when considering the elevated level of inflation from the depreciation in pound sterling) and most conventional corporate bonds are also expensive, given these low gilt yields combined with tight credit spreads (which means the extra yield you get from investing in corporate bonds compared to gilts is close to post credit crisis lows). This underweight position towards fixed interest had a positive impact on the performance of the Fund compared to the benchmark.

The Equity exposure of the Fund is primarily in UK equities, which we believe are attractive on a fundamental basis and provide a less volatile and predictable income stream for paying the pound sterling based dividend than overseas equities. Consequently the Fund was overweight in UK equities and underweight in overseas equities compared to the benchmark which had a negative impact on performance as UK equities underperformed their global peers in pound sterling terms.

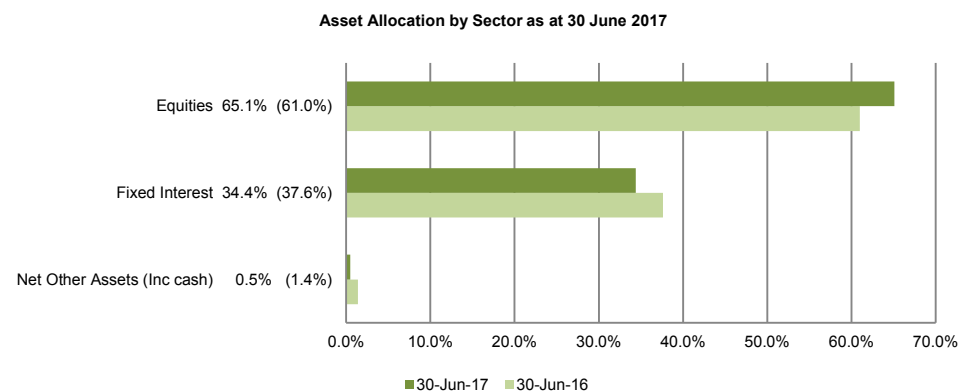
Within the equity portfolio, the Fund experienced strong performance from holdings in the industrial distributor, Rexel, HSBC, AXA, Allianz and the Norwegian fertiliser company Yara International. At the other end of the spectrum, holdings in Pearson, Laird and Ericsson 'B', all of which experienced profits warnings over the period, fell in value. In terms of investment activity, the Fund sold out of Premier Farnell which was subject to a takeover bid and also PDL Biopharma. The Fund purchased a new holding in a UK building insulation distributor, SIG.

## Prospects

Despite the growing populist agenda, investment markets have thus far proved resilient and entered the New Year in a buoyant mood. How sustainable this proves in 2017 is uncertain, with the implementation of Article 50 likely to act as a reminder of the difficult period of negotiation ahead. With a national election scheduled in Germany, as well as the possibility of an early election in Italy, it is unclear whether much if anything will be decided this year and that will increasingly raise the prospect of an abrupt and disruptive departure for the UK from the European Union in 2019. Elsewhere, in Asia, Japan is likely to remain at the forefront of extreme monetary policy and the widening of the expected interest rate differential between the US and Japan should continue to support a lower valued domestic currency. China is likely to be the principal economic focus within the region as a progressive withdrawal of stimulus (to cool the country's property market) slows growth. Commodity producers and economies most closely linked to the Chinese economy are at risk. While, as ever, some political and economic risks lie ahead, we remain focused on finding new long-term investment opportunities in companies that have a sustainable competitive advantage, are run by strong management teams with a history of good capital allocation and prudent balance sheet management.

## Asset allocation by sector at 30 June 2017

The figures in brackets show allocation at 30 June 2016



# Amity Balanced Fund for Charities

## Performance



\*Benchmark: 50% FTSE Actuaries Government Securities UK Gilts All Stock Index and 50% FTSE World Index

Graph showing the return of the Amity Balanced Fund for Charities compared to Benchmark from 30 June 2012 to 30 June 2017, mid-to-mid basis excluding initial charges with gross income reinvested. Prices re-based to 100. Source: Morningstar.

	Amity Balanced Fund for Charities Total Return	Benchmark Total Return
01/07/16 – 30/06/17	14.0%	10.6%
01/07/15 – 30/06/16	3.4%	14.3%
01/07/14 – 30/06/15	7.0%	9.4%
01/07/13 – 30/06/14	12.9%	6.2%

Table showing % return of the Amity Balanced Fund for Charities against Benchmark. Figures compared on a mid-to-mid basis excluding initial charges with gross income reinvested. Source: Morningstar.

## Major holdings

Top ten holdings	Percentages of total net assets at 30 June 2017
GlaxoSmithKline	2.70%
Greencoat UK Wind	2.21%
AstraZeneca	2.12%
Fonciere des Regions	2.12%
Lloyds Banking Group	2.12%
Sainsbury (J) 6.5% Perpetual	1.99%
HSBC	1.96%
Royal Mail	1.93%
Electricite de France 5.875% Perpetual	1.87%
Yorkshire Building Society 13.5% 01/04/2025	1.81%

## Fund Information

The Comparative Table on the following page gives the performance of the only active share class in the Fund.

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Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades and research costs.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by a fund on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and money market sentiment.

# Amity Balanced Fund for Charities

## Fund Information (continued)

Class A

Change in Net Asset Value per Share	2017 pence per share)	2016 pence per share)	2015 pence per share)
Opening net asset value per share	106.13	107.31	105.82
Return before operating charges*	14.41	5.34	8.37
Operating charges	(0.96)	(0.88)	(0.97)
Return after operating charges*	13.45	4.46	7.40
Distributions on income shares	(5.63)	(5.64)	(5.91)
Closing net asset value per share	113.95	106.13	107.31
* after direct transaction costs of**:	0.09	0.03	0.22
<b>Performance</b>			
Return after charges	12.68%	4.16%	6.99%
<b>Other Information</b>			
Closing net asset value (£'000)	21,806	22,565	20,390
Closing number of shares	19,135,864	21,261,458	19,001,065
Operating charges†	0.86%	0.83%	0.88%
Direct transaction costs	0.08%	0.03%	0.20%
<b>Prices</b>			
Highest share price	118.60	110.30	116.90
Lowest share price	106.10	100.80	103.30

\*\*Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

†Operating charges, otherwise known as the OCF is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund. The OCF is intended to provide a reliable figure which gives the most accurate measure of what it costs to invest in a Fund and is calculated based on the last period's figures.

## Risk Reward Profile

Lower risk

Higher risk

Typically lower Rewards

Typically higher rewards



The risk category above is not a measure of capital loss or gains, but of how significant the rises and falls in the Share Class price have been historically.

For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas, a share class whose price has experienced less significant rises and falls will be in a lower risk category.

As the Share Class risk category has been calculated using historical data, it may not be a reliable indication of the Share Class future risk profile.

Please note that the Share Class risk category may change in the future and is not guaranteed. The lowest risk category does not mean a risk free investment.

The Share Class is in risk category 4 as its price has experienced average rises and falls historically.

# Authorised Status

If each sub-fund were an Open-Ended Investment Company in respect of which authorisation had been granted by the FCA, it would be a securities company. The Company is marketable to all UK registered charitable organisations.

The Company is a Non-UCITS retail scheme which complies with the FCA's Collective Investment Schemes Sourcebook and the FCA's Investment Funds Sourcebook ("FUND").

No sub-fund held shares in any other sub-fund of the umbrella company at the year end.

# Certification of Accounts

Each sub-fund represents a segregated portfolio of assets and accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including any other sub-funds, and shall not be available for such purpose.

Please note that shareholders are not liable for the debts of EdenTree Investment Funds for Charities.

SJ Round, Director

RW Hepworth, Director

For and on behalf of EdenTree Investment Management Limited.  
Authorised Corporate Director of EdenTree Investment Funds for Charities.  
Gloucester, United Kingdom  
24 October 2017

# Statement of the Authorised Corporate Director's Responsibilities

The Authorised Corporate Director ("ACD") of EdenTree Investment Funds for Charities (the "Company") is responsible for preparing the Annual Report and the financial statements in accordance with the Open-Ended Investment Companies Regulations 2001 ("the OEIC Regulations"), the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL"), the FCA's Investment Funds Sourcebook ("the FUND") and the Company's Instrument of Incorporation.

The OEIC Regulations and COLL require the ACD to prepare financial statements for each annual accounting year which:

- are in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" ("SORP") issued by the Investment Association in May 2014; and
- give a true and fair view of the financial position of the Company and each of its sub-funds as at the end of that period and the net revenue and the net capital gains or losses on the property of the Company and each of its sub-funds for that period.

In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable IA SORP has been followed;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable IA SORP and UK GAAP. The ACD is also responsible for the system of internal controls, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with COLL 4.5.8BR, the Annual Report and the audited financial statements were approved by the board of directors of the Authorised Corporate Director of the Company and authorised for issue on 24 October 2017.

SJ Round, Director

RW Hepworth, Director

For and on behalf of EdenTree Investment Management Limited.  
Authorised Corporate Director of EdenTree Investment Funds for Charities.  
Gloucester, United Kingdom  
24 October 2017

# Statement of the Depositary's Responsibilities

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and, from 22 July 2014 the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and solely in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Company.

# Report of the Depositary to the Shareholders of the Company

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM:

- i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- ii) has observed the investment and borrowing powers and restrictions applicable to the Company in accordance with the Regulations and Scheme documents of the Company.

For and on behalf of BNY Mellon Trust & Depositary (UK) Limited  
London, United Kingdom  
24 October 2017

# Portfolio Statement

## Amity Global Equity Income Fund for Charities

As at 30 June 2017

Holdings at 30 June 2017	Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM 23.02% (25.29%)</b>		
19,118 Arix Bioscience	37,901	0.34
2,500 AstraZeneca	128,375	1.15
3,500 Berkeley Group	112,875	1.01
20,000 Bioventix	372,000	3.34
17,000 Close Brothers Group	256,020	2.30
17,000 GlaxoSmithKline	277,865	2.50
24,000 HSBC	170,808	1.54
100,000 John Laing Environmental Assets	107,250	0.96
300,000 Lloyds Banking Group	198,450	1.78
40,000 Mears Group	190,200	1.71
11,000 National Grid	104,676	0.94
15,000 Sky	149,100	1.34
100,000 Taylor Wimpey	176,100	1.58
15,000 Victrex	281,400	2.53
<b>Total UNITED KINGDOM</b>	<b>2,563,020</b>	<b>23.02</b>
<b>CHINA 1.12% (0.00%)</b>		
9,000 Tarena International ADR*	124,059	1.12
<b>Total CHINA</b>	<b>124,059</b>	<b>1.12</b>
<b>DENMARK 0.89% (0.00%)</b>		
3,000 Novo Nordisk 'B'	98,868	0.89
<b>Total DENMARK</b>	<b>98,868</b>	<b>0.89</b>
<b>FRANCE 10.73% (12.07%)</b>		
13,750 AXA	289,374	2.60
2,600 Cie Generale des Etablissements Michelin 'B'	265,937	2.39
15,000 Orange	183,016	1.65
1,800 Sanofi	132,483	1.19
3,000 Schneider Electric	177,335	1.59
9,000 Veolia Environnement	146,268	1.31
<b>Total FRANCE</b>	<b>1,194,413</b>	<b>10.73</b>

Holdings at 30 June 2017	Market Value £	Percentage of Total Net Assets %
<b>GERMANY 7.09% (6.30%)</b>		
1,575 Allianz	238,461	2.14
2,000 Bayer	198,855	1.79
750 Muenchener Rueck	193,813	1.74
1,500 Siemens	158,697	1.42
<b>Total GERMANY</b>	<b>789,826</b>	<b>7.09</b>
<b>HONG KONG 3.67% (6.85%)</b>		
150,000 Dah Sing Banking	245,504	2.20
50,000 Minth	163,127	1.47
<b>Total HONG KONG</b>	<b>408,631</b>	<b>3.67</b>
<b>IRELAND 1.29% (1.06%)</b>		
6,000 Smurfit Kappa	143,012	1.29
<b>Total IRELAND</b>	<b>143,012</b>	<b>1.29</b>
<b>JAPAN 4.40% (3.71%)</b>		
8,500 Sumitomo Mitsui Financial	255,856	2.30
4,000 TechnoPro Holdings	124,227	1.11
12,500 Zojirushi	110,144	0.99
<b>Total JAPAN</b>	<b>490,227</b>	<b>4.40</b>
<b>MALAYSIA 0.00% (0.01%)</b>		
105,882 KNM Group Bhd Warrants	95	–
<b>Total MALAYSIA</b>	<b>95</b>	<b>–</b>
<b>NETHERLANDS 8.80% (5.48%)</b>		
2,000 AkzoNobel	133,724	1.20
14,000 ASR Nederland NV	362,851	3.26
25,000 ING Group	331,718	2.98
2,700 Koninklijke DSM	150,989	1.36
<b>Total NETHERLANDS</b>	<b>979,282</b>	<b>8.80</b>
<b>NORWAY 2.21% (1.02%)</b>		
14,000 Borregaard	131,072	1.18



# Portfolio Statement

## Amity Global Equity Income Fund for Charities

As at 30 June 2017

Holdings at 30 June 2017		Market Value £	Percentage of Total Net Assets %
	<b>NORWAY (continued)</b>		
4,000	Yara International	115,064	1.03
	<b>Total NORWAY</b>	<b>246,136</b>	<b>2.21</b>
	<b>SINGAPORE 1.56% (3.87%)</b>		
15,000	DBS Group	174,050	1.56
	<b>Total SINGAPORE</b>	<b>174,050</b>	<b>1.56</b>
	<b>SPAIN 1.64% (1.37%)</b>		
21,664	Banco Santander ADR*	111,504	1.00
8,979	Telefonica	71,310	0.64
	<b>Total SPAIN</b>	<b>182,814</b>	<b>1.64</b>
	<b>SWEDEN 1.13% (1.47%)</b>		
1,500	Autoliv ADR*	126,014	1.13
	<b>Total SWEDEN</b>	<b>126,014</b>	<b>1.13</b>
	<b>SWITZERLAND 5.54% (4.65%)</b>		
2,000	Nestle	134,050	1.20
4,000	Novartis	256,527	2.31
1,150	Roche	225,598	2.03
	<b>Total SWITZERLAND</b>	<b>616,175</b>	<b>5.54</b>
	<b>TAIWAN 2.78% (0.00%)</b>		
11,500	Taiwan Semiconductor Manufacturing ADR*	309,685	2.78
	<b>Total TAIWAN</b>	<b>309,685</b>	<b>2.78</b>
	<b>UNITED STATES 22.20% (23.93%)</b>		
4,500	AbbVie	251,343	2.26
14,000	Cisco Systems	337,635	3.03
4,000	Hawaiian Electric Industries	99,765	0.90
2,000	Johnson & Johnson	203,891	1.83
4,000	LyondellBasell Industries	260,122	2.34
4,500	Merck	222,218	1.99
6,000	Microsoft	318,619	2.86

Holdings at 30 June 2017		Market Value £	Percentage of Total Net Assets %
	<b>UNITED STATES (continued)</b>		
3,000	NXP Semiconductors	252,764	2.27
10,000	Pfizer	258,813	2.32
6,250	Wells Fargo	266,884	2.40
	<b>Total UNITED STATES</b>	<b>2,472,054</b>	<b>22.20</b>
	<b>Portfolio of Investments 98.07% (97.08%)</b>	<b>10,918,361</b>	<b>98.07</b>
	Net other assets	215,431	1.93
	<b>Total net assets</b>	<b>11,133,792</b>	<b>100.00</b>

Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.

\* American Depositary Receipt.

Comparative percentage holdings by market value at 30 June 2016 are shown in brackets.

# Portfolio Statement

## Amity Balanced Fund for Charities

As at 30 June 2017

Holdings at 30 June 2017	Market Value £	Percentage of Total Net Assets %
<b>UNITED KINGDOM 70.39% (67.94%)</b>		
<b>UK Corporate Bonds 23.01% (25.24%)</b>		
£100,000 Alpha Plus Holdings 5.00% 31/03/2024	105,880	0.49
£120,000 Annington Repackaging No.1 5.324% 10/01/2023	144,704	0.66
£300,000 Brit Insurance 6.625% 09/12/2030	313,200	1.44
£50,000 Cheltenham & Gloucester 11.75% Perpetual	87,610	0.40
£200,000 Co-Operative Bank 11.00% 20/12/2025	251,420	1.15
£200,000 Coventry Building Society 6.375% Perpetual	201,740	0.93
£194,000 Coventry Building Society PIBS 12.125% Perpetual	389,940	1.79
£60,000 Leeds Building Society 13.375% Perpetual	123,000	0.56
£350,000 Liverpool Victoria 6.50% 22/05/2043	373,646	1.71
£100,000 London Stock Exchange 9.125% 18/10/2019	117,494	0.54
£150,000 Manchester Building Society 6.75% Perpetual	26,250	0.12
£100,000 Marks & Spencer 6.125% 02/12/2019	110,858	0.51
£150,000 Nationwide Building Society 6.875% Perpetual	154,077	0.71
£83,000 Newcastle Building Society 10.75% Perpetual	136,032	0.62
£250,000 PGH Capital 6.625% 18/12/2025	286,456	1.31
£120,000 Prudential 11.375% 29/05/2039	142,162	0.65
£170,000 Retail Charity Bond 5.00% 12/04/2026	187,085	0.86
£200,000 RL Finance Bonds 6.125% 30/11/2043	222,239	1.02
£400,000 Sainsbury (J) 6.50% Perpetual	433,920	1.99
£200,000 Scottish Widows 7.00% 16/06/2043	253,019	1.16
£200,000 St Modwen Properties 6.25% 07/11/2019	208,493	0.96
£150,000 Standard Chartered Bank 7.75% 03/04/2018	157,288	0.72
£200,000 Tesco 5.20% 05/03/2057	195,571	0.90
£275,000 Yorkshire Building Society 13.50% 01/04/2025	394,804	1.81
<b>Total UK Corporate Bonds</b>	<b>5,016,888</b>	<b>23.01</b>
<b>UK Corporate Preference Shares 6.26% (7.32%)</b>		
150,000 Aviva 8.375%	229,500	1.05
150,000 Aviva 8.75%	234,000	1.07
210,000 Bristol Water 8.75%	352,800	1.62
140,000 Northern Electric 8.061%	217,000	1.00

Holdings at 30 June 2017	Market Value £	Percentage of Total Net Assets %
<b>UK Corporate Preference Shares (continued)</b>		
250,000 RSA Insurance 7.375%	332,500	1.52
<b>Total UK Corporate Preference Shares</b>	<b>1,365,800</b>	<b>6.26</b>
<b>UK Equities 41.12% (35.38%)</b>		
126,000 3i Infrastructure	240,534	1.10
9,000 AstraZeneca	462,150	2.12
50,000 Aviva	263,000	1.21
100,000 BT Group	294,550	1.35
60,000 Carillion	111,960	0.51
150,000 Centrica	300,300	1.38
111,428 Connect Group	125,356	0.57
20,000 Dunelm Group	120,300	0.55
80,000 DX Group	7,600	0.03
36,000 GlaxoSmithKline	588,420	2.70
400,000 Greencoat UK Wind	482,800	2.21
200,000 HICL Infrastructure	320,600	1.47
60,000 HSBC	427,020	1.96
365,390 John Laing Environmental Assets	391,881	1.80
225,000 John Laing Infrastructure	301,950	1.38
80,000 Legal & General	206,400	0.95
700,000 Lloyds Banking Group	463,050	2.12
150,000 London Metric Property	250,950	1.15
160,000 Man Group	247,520	1.14
60,000 Marks & Spencer	199,980	0.92
100,000 N Brown	310,000	1.42
32,083 National Grid	305,302	1.40
5,000 Next	192,750	0.88
35,000 Pearson	242,025	1.11
48,666 Phoenix Group Holdings	376,432	1.73
400,000 Picton Property Income	333,000	1.53
100,000 Royal Mail	420,800	1.93
200,000 SIG	177,881	0.82
20,000 SSE	290,600	1.33
250,000 Target Healthcare	293,750	1.35

# Portfolio Statement

## Amity Balanced Fund for Charities

As at 30 June 2017

Holdings at 30 June 2017	Market Value £	Percentage of Total Net Assets %
<b>UK Equities (continued)</b>		
100,000 Vodafone	217,700	1.00
<b>Total UK Equities</b>	<b>8,966,561</b>	<b>41.12</b>
<b>AUSTRALIA 0.96% (1.13%)</b>		
82,500 Telstra	210,045	0.96
<b>Total AUSTRALIA</b>	<b>210,045</b>	<b>0.96</b>
<b>FRANCE 10.08% (10.50%)</b>		
<b>French Corporate Bonds 3.29% (2.80%)</b>		
£400,000 Electricite de France 5.875% Perpetual	407,806	1.87
£100,000 Electricite de France 6.00% Perpetual	104,989	0.48
£200,000 Veolia Environnement 4.85% Perpetual	204,500	0.94
<b>Total French Corporate Bonds</b>	<b>717,295</b>	<b>3.29</b>
<b>French Equities 6.79% (7.70%)</b>		
15,000 AXA	315,681	1.45
6,500 Fonciere des Regions	463,504	2.12
14,000 Mercialis	210,674	0.97
20,000 Orange	244,021	1.12
17,342 Suez Environnement	246,336	1.13
<b>Total French Equities</b>	<b>1,480,216</b>	<b>6.79</b>
<b>GERMANY 7.64% (4.97%)</b>		
<b>German Corporate Bonds 0.00% (0.80%)</b>		
<b>German Equities 7.64% (4.17%)</b>		
2,500 Allianz	378,510	1.74
21,000 Deutsche Telekom	289,899	1.33
5,000 Hugo Boss	268,889	1.23
12,000 Talanx	344,653	1.58
100,000 Telefonica Deutschland	384,177	1.76
<b>Total German Equities</b>	<b>1,666,128</b>	<b>7.64</b>
<b>HONG KONG 1.61% (1.49%)</b>		
295,000 Kowloon Development	246,946	1.13

Holdings at 30 June 2017	Market Value £	Percentage of Total Net Assets %
<b>HONG KONG (continued)</b>		
1,200,000 Samson	75,813	0.35
600,000 Trinity	28,726	0.13
<b>Total HONG KONG</b>	<b>351,485</b>	<b>1.61</b>
<b>IRELAND 0.78% (0.56%)</b>		
<b>Irish Corporate Bonds 0.78% (0.56%)</b>		
£100,000 Catalyst Health 2.411% 30/09/2040	170,672	0.78
<b>Total Irish Corporate Bonds</b>	<b>170,672</b>	<b>0.78</b>
<b>NEW ZEALAND 0.52% (0.52%)</b>		
<b>New Zealand Corporate Bonds 0.52% (0.52%)</b>		
£100,000 Chorus 6.75% 06/04/2020	113,760	0.52
<b>Total New Zealand Corporate Bonds</b>	<b>113,760</b>	<b>0.52</b>
<b>NORWAY 0.79% (0.63%)</b>		
6,000 Yara International	172,596	0.79
<b>Total NORWAY</b>	<b>172,596</b>	<b>0.79</b>
<b>SINGAPORE 1.22% (1.63%)</b>		
400,000 Mapletree	266,434	1.22
<b>Total SINGAPORE</b>	<b>266,434</b>	<b>1.22</b>
<b>SPAIN 0.51% (0.45%)</b>		
<b>Spanish Corporate Bonds 0.51% (0.45%)</b>		
£100,000 Telefonica Europe 6.75% Perpetual	110,625	0.51
<b>Total Spanish Corporate Bonds</b>	<b>110,625</b>	<b>0.51</b>
<b>SWEDEN 1.51% (0.75%)</b>		
60,000 Ericsson 'B'	329,385	1.51
<b>Total SWEDEN</b>	<b>329,385</b>	<b>1.51</b>
<b>UNITED STATES 3.48% (8.07%)</b>		
10,000 AT&T	290,712	1.34
12,500 HCP	307,817	1.41

# Portfolio Statement

## Amity Balanced Fund for Charities

As at 30 June 2017

Holdings at 30 June 2017	Market Value £	Percentage of Total Net Assets %
<b>UNITED STATES (continued)</b>		
4,625 Verizon Communications	159,185	0.73
<b>Total UNITED STATES</b>	<b>757,714</b>	<b>3.48</b>
<b>Portfolio of Investments 99.49% (98.64%)</b>	<b>21,695,604</b>	<b>99.49</b>
Net other assets	110,593	0.51
<b>Total net assets</b>	<b>21,806,197</b>	<b>100.00</b>
Securities are admitted to an official stock exchange listing or traded on another regulated market unless otherwise stated.		
<b>Debt Security Allocation is as follows:</b>		
		<b>Percentage of Debt Securities</b>
Debt Securities above investment grade		53.71
Debt Securities below investment grade		46.29
		<b>100.00</b>

Comparative percentage holdings by market value at 30 June 2016 are shown in brackets.

# Independent Auditor's Report to the Shareholders of EdenTree Investment Funds for Charities

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements:

- give a true and fair view of the financial position of the sub-funds as at 30 June 2017 and of the net revenue and the net capital gains on the property of the sub-funds for the year ended 30 June 2017; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements of EdenTree Investment Funds for Charities (the 'company') which comprise for each sub-fund:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distribution tables; and
- the related consolidated and individual notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the authorised corporate director's (ACD's) use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### Other information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### Responsibilities of depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# Independent Auditor's Report to the Shareholders of EdenTree Investment Funds for Charities

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

## Report on other legal and regulatory requirements

### Opinion on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the company and the sub-funds have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information disclosed in the annual report for the year ended 30 June 2017 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook is consistent with the financial statements.

Deloitte LLP  
Statutory Auditor  
Glasgow, United Kingdom  
24 October 2017

# Statement of Total Return

For the year ended 30 June 2017

	Notes	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Income</b>					
Net capital gains/(losses)	5	<b>2,038</b>	(81)	<b>1,780</b>	(50)
Revenue	7	<b>411</b>	400	<b>1,165</b>	1,189
Expenses	8	<b>(101)</b>	(79)	<b>(197)</b>	(178)
Interest payable and similar charges		-	-	-	-
Net revenue before taxation for the year		<b>310</b>	321	<b>968</b>	1,011
Taxation	9	<b>(28)</b>	(25)	<b>(22)</b>	(48)
Net revenue after taxation for the year		<b>282</b>	296	<b>946</b>	963
<b>Total return before distributions</b>		<b>2,320</b>	215	<b>2,726</b>	913
Distributions for Interim and Final	10	<b>(383)</b>	(371)	<b>(1,143)</b>	(1,140)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>1,937</b>	(156)	<b>1,583</b>	(227)

# Statement of Change in Net Assets Attributable to Shareholders

<b>Opening net assets attributable to shareholders</b>	<b>9,242</b>	8,579	<b>22,565</b>	20,390
Amounts receivable on creation of shares	<b>349</b>	819	<b>3,290</b>	2,561
Amounts payable on cancellation of shares	<b>(394)</b>	-	<b>(5,632)</b>	(159)
	<b>(45)</b>	819	<b>(2,342)</b>	2,402
Change in net assets attributable to shareholders from investment activities (see above)	<b>1,937</b>	(156)	<b>1,583</b>	(227)
<b>Closing net assets attributable to shareholders</b>	<b>11,134</b>	9,242	<b>21,806</b>	22,565

# Balance Sheet

As at 30 June 2017

	Notes	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
		2017	2016	2017	2016
		£'000	£'000	£'000	£'000
<b>ASSETS</b>					
Fixed assets:					
Investments		<b>10,918</b>	8,972	<b>21,696</b>	22,259
Current assets:					
Debtors	11	<b>174</b>	67	<b>359</b>	278
Cash at bank		<b>326</b>	406	<b>674</b>	547
Total assets		<b>11,418</b>	9,445	<b>22,729</b>	23,084
<b>LIABILITIES</b>					
Creditors:					
Bank overdrafts		-	-	<b>(19)</b>	-
Distribution payable	10	<b>(189)</b>	(190)	<b>(426)</b>	(498)
Other creditors	12	<b>(95)</b>	(13)	<b>(478)</b>	(21)
Total liabilities		<b>(284)</b>	(203)	<b>(923)</b>	(519)
<b>Net assets attributable to shareholders</b>		<b>11,134</b>	9,242	<b>21,806</b>	22,565



# Notes to the Financial Statements

For the year ended 30 June 2017

## 1. Accounting Policies

### a. Basis of accounting

The Financial Statements have been prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 (2014 SORP).

### 2. Summary of Significant Accounting Policies

#### a. Basis of Preparation

The Financial Statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with the Statement of Recommended Practice ("SORP") for Financial Statements of Authorised Funds issued by the Investment Association (formerly the Investment Management Association) in May 2014.

The ACD is confident that the Company will continue in operation for at least 12 months from the date of signing the audited financial statements. The Company has adequate financial resources and its assets consist of securities which are readily realisable. As such, the financial statements have been prepared on the going concern basis.

#### b. Functional and Presentation Currency

The functional and presentation currency of the Fund is pound sterling because it is the currency of the primary economic environment in which the company operates.

#### c. Valuation of investments

All investments are valued at their fair value as at close of business on 30 June 2017, being the last business day of the financial year. The fair value of non-derivative quoted securities is bid price, excluding any accrued interest. Unquoted investments are shown at the Manager's valuation.

#### d. Foreign exchange

The values of assets and liabilities denominated in foreign currencies have been converted into pound sterling at the exchange rate prevailing at close of business on 30 June 2017. Any exchange differences arising on translation of investments and capital assets and liabilities other than investments are included in "Net capital gains/(losses)". Any exchange differences arising on translation of other assets or liabilities are included in net revenue.

### e. Revenue

All dividends on investments declared ex-dividend up to the accounting date are shown as gross revenue. Bank and other interest receivable is included on an accruals basis. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Company. Revenue from interest bearing securities is accounted for on an effective yield basis, irrespective of the level of discount or premium, and is calculated with reference to the purchase price of the securities. Revenue is allocated to the share classes of each sub-fund based on the proportion of assets held by each share class. Underwriting commission is taken to revenue and is recognised when the issues take place, except where the sub-fund is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission is deducted from the cost of these shares.

### f. Expenses

All expenses are charged to capital. Expenses relating to each sub-fund are allocated to the share classes based on the proportion of assets held within each share class.

### g. Taxation

The sub-funds are liable to Corporation Tax applied at a rate of 20.0% on interest, overseas dividend revenue and underwriting commission. Deferred tax is provided for by the liability method on all short-term timing differences. Overseas dividends continue to be disclosed gross of any foreign tax suffered, the tax element being shown separately in the taxation note.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable, by way of double tax relief.

### h. Deferred taxation

The charge for deferred tax is based on the net revenue for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse based on tax rates and laws that have been enacted or substantively enacted. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset. Deferred tax liabilities are not discounted.

## 3. Distribution Policies

### a. Revenue distribution to corporate shareholders

A shareholder liable to UK Corporation Tax receives the dividend distribution as franked investment income to the extent that the revenue from which the distribution is made is franked investment income.

The shares of class 'A' are distribution shares.

### b. Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

### c. Treatment of stock and special dividends

The ordinary element of stocks received in lieu of cash dividends, which form part of the distribution, is recognised as revenue of the sub-funds based on the market value of the investments on the day they are quoted ex-dividend. Any enhancement above the cash dividend is treated as a capital gain on the investment. Special dividends are recorded as revenue or capital depending on the underlying substance of the transaction.

### d. Treatment of interest from debt securities

Interest from debt securities which form part of the distribution, is recognised as revenue using an effective yield basis, irrespective of the level of discount or premium.

### e. Treatment of management expenses

The expenses are charged against the capital of the sub-funds. The capital value of the sub-funds could be reduced over time. The expenses are charged against revenue in the first instance (other than those relating to the purchases and sales of investments) and are reimbursed by capital for distribution purposes.

### f. Unclaimed distribution

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the sub-funds.

### g. Fund's distribution

Each Fund's distribution is determined based on the individual authorised fund's net revenue after taxation.

# Notes to the Financial Statements

For the year ended 30 June 2017

## 4. Risk Management Policies

The main risks arising from the Company's financial instruments are market price, foreign currency, interest rate, liquidity and credit risks. The ACD reviews policies for managing each of these risks. These policies have remained unchanged since the beginning of the year to which these financial statements relate.

The ACD regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the investment objective. Individual fund managers have responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters described above and seek to ensure that individual stocks also meet the risk reward profile that is acceptable.

The ACD chose not use derivative instruments to hedge the investment portfolio against market risk, because in its opinion the cost of such a process would result in an unacceptable reduction in the potential for capital growth. No derivatives were held during the year under review.

- **Market risk:** arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

If market prices had increased by 10% at the balance sheet date, the net asset value of the Fund would have increased by the following amounts. If market prices had decreased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the following amounts.

	Increase	Decrease
Amity Global Equity Income		
Fund for Charities	£1,091,836	£1,091,836
Amity Balanced Fund for Charities	£2,169,560	£2,169,560

- **Currency risk:** the revenue and capital value of the Company's investments can be affected by foreign currency translation movements as some of the Company's assets and income are denominated in currencies other than pound sterling which is the Company's functional currency. This is monitored closely and is considered to be an integral part of the overall investment management decision making process.

The ACD has identified three principal areas where foreign currency risk could impact on the Company. These are movement in exchange rates affecting the value of investments, short-term timing differences such as exposure to exchange rate movement during the period between commencement of the investment transaction and the date when settlement of the investment occurs, and finally movements in exchange rates affecting income received by the Company. The Company converts all receipts of revenue, received in currency, into pound sterling on the day of receipt.

At the year end date, a portion of the net monetary assets of the Company was denominated in currencies other than pound sterling with the effect that the balance sheet and total return can be affected by exchange rate movement.

If GBP to foreign currency exchange rates had strengthened/increased by 10% as at the balance sheet date, the net asset value of the Fund would have decreased by the following amounts. If GBP to foreign currency exchange rates had weakened/decreased by 10% as at the balance sheet date, the net asset value of the Fund would have increased by the following amounts. These calculations assume all other variables remain constant.

	Increase	Decrease
Amity Global Equity Income		
Fund for Charities	£841,162	£841,162
Amity Balanced Fund for Charities	£525,641	£525,641

- **Interest rate risk:** the company invests in both fixed rate and floating rate securities. Any change to the interest rates relevant for particular securities may result in either revenue increasing or decreasing, or the ACD being unable to secure similar returns on the expiry of contracts or the sale of securities. In addition changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held.

In general, if interest rates rise the income potential of the Company also rises but the value of fixed rate securities will decline (along with certain expenses calculated by reference to the assets of the Company). A decline in interest rates will in general have the opposite effect.

- **Liquidity risk:** the Company's assets comprise mainly readily realisable securities, which can be sold. The main liability of the Company is the redemption of any shares that investors wish to sell.
- **Credit risk:** certain transactions in securities that the Company enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Company has fulfilled its responsibilities.
- **Credit rating risk:** the current fixed interest portfolio consists of a range of fixed interest instruments including government securities, preference shares, permanent interest bearing shares, overseas bonds and corporate loans and bonds. Limits are imposed on the credit ratings of the corporate bond portfolio and exposures regularly monitored.

The Company only buys and sells investments through brokers which have been approved by the ACD as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time. These limits are reviewed regularly.

# Notes to the Financial Statements

For the year ended 30 June 2017

## 5. Net capital gains/(losses)

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Non derivative securities*	<b>2,044</b>	(74)	<b>1,780</b>	(54)
Currency (losses)/gains	<b>(3)</b>	(6)	<b>1</b>	5
Security transaction fees	<b>(3)</b>	(1)	<b>(1)</b>	(1)
Net capital gains/(losses)	<b>2,038</b>	(81)	<b>1,780</b>	(50)

\* The Amity Global Equity Income Fund for Charities' non-derivative securities include realised losses of £316,912 and unrealised gains of £2,361,374 (2016: realised losses of £463,427 and unrealised gains of £389,712). The Amity Balanced Fund for Charities' non-derivative securities include realised gains of £305,253 and unrealised gains of £1,474,221 (2016: realised losses of £ 523,065 and unrealised gains of £468,884). The realised (losses) /gains on investments in the accounting year includes amounts previously recognised as unrealised (losses)/gains in the prior accounting year.

# Notes to the Financial Statements

For the year ended 30 June 2017

## 6. Purchases, sales and transaction costs

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Analysis of total purchase costs:				
Equities: purchases in period before transaction cost	<b>2,541</b>	2,600	<b>3,997</b>	3,752
Bonds: purchases in period before transaction cost	–	–	<b>166</b>	2,485
Commissions:				
Equities total value paid	<b>4</b>	4	<b>7</b>	4
Bonds total value paid	–	–	–	–
	%	%	%	%
Equities: average commission costs on purchases as % of purchases total	<b>0.17</b>	0.15	<b>0.17</b>	0.11
Bonds: average commission costs on purchases as % of purchases total	–	–	–	–
Equities: average commission costs on purchases as % of average NAV	<b>0.04</b>	0.05	<b>0.03</b>	0.02
Bonds: average commission costs on purchases as % of average NAV	–	–	–	–
	£'000	£'000	£'000	£'000
Taxes:				
Equities total value paid	–	–	<b>3</b>	–
Bonds total value paid	–	–	–	–
	%	%	%	%
Equities: average taxes costs on purchases as % of purchases total	<b>0.01</b>	–	<b>0.07</b>	–
Bonds: average taxes costs on purchases as % of purchases total	–	–	–	–
Equities: average taxes costs on purchases as % of average NAV	–	–	<b>0.01</b>	–
Bonds: average taxes costs on purchases as % of average NAV	–	–	–	–
<b>Total gross purchases</b>	<b>2,545</b>	2,604	<b>4,172</b>	6,241

# Notes to the Financial Statements

For the year ended 30 June 2017

## 6. Purchases, sales and transaction costs (Continued)

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Analysis of total sale proceeds:				
Equities: sales in period before transaction cost	<b>2,617</b>	1,392	<b>5,041</b>	1,723
Bonds: sales in period before transaction cost	–	–	<b>1,322</b>	387
Commissions:				
Equities total value paid	<b>(5)</b>	(2)	<b>(8)</b>	(2)
Bonds total value paid	–	–	–	–
	%	%	%	%
Equities: average commission costs on sales as % of sales total	<b>0.21</b>	0.14	<b>0.16</b>	0.12
Bonds: average commission costs on sales as % of sales total	–	–	–	–
Equities: average commission costs on sales as % of average NAV	<b>0.05</b>	0.03	<b>0.04</b>	0.01
Bonds: average commission costs on sales as % of average NAV	–	–	–	–
	£'000	£'000	£'000	£'000
Taxes:				
Equities total value paid	–	–	–	–
Bonds total value paid	–	–	–	–
	%	%	%	%
Equities: average taxes costs on sales as % of sales total	<b>0.02</b>	–	–	–
Bonds: average taxes costs on sales as % of sales total	–	–	–	–
Equities: average taxes costs on sales as % of average NAV	–	–	–	–
Bonds: average taxes costs on sales as % of average NAV	–	–	–	–
<b>Total gross sales</b>	<b>2,611</b>	1,390	<b>6,355</b>	2,108
<b>Average portfolio dealing spread</b>				

The portfolio transaction costs tables above include direct transaction costs suffered by the Fund during the year.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund investment transactions in debt instruments any applicable transaction charges form part of the dealing spread for these instruments.

# Notes to the Financial Statements

For the year ended 30 June 2017

## 7. Revenue

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Bank interest	4	1	–	1
Franked PID revenue	1	–	14	20
Franked UK dividends	101	106	359	359
Interest on fixed interest stocks <sup>^</sup>	–	–	369	350
Overseas dividends	301	288	391	417
Unfranked CIS revenue	–	–	14	19
Unfranked PID revenue	4	5	18	23
<b>Total revenue</b>	<b>411</b>	<b>400</b>	<b>1,165</b>	<b>1,189</b>

<sup>^</sup>Interest on fixed interest stocks net of amortization of premium or discount.

## 8. Expenses

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Payable to the Authorised Corporate Director or associates of the Authorised Corporate Director:</b>				
ACD's charge	80	66	173	161
<b>Payable to the Depositary or associates of the Depositary:</b>				
Depositary fees	6	4	8	7
Safe custody fee	3	2	3	2
	9	6	11	9
<b>Other expenses:</b>				
Registration fee	1	–	1	1
Audit fee	11	7	12	7
	12	7	13	8
<b>Total expenses</b>	<b>101</b>	<b>79</b>	<b>197</b>	<b>178</b>

# Notes to the Financial Statements

For the year ended 30 June 2017

## 9. Taxation

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>a. Analysis of charge for the year:</b>				
Overseas withholding tax	28	25	22	44
Irrecoverable CIS income tax write off	-	-	-	4
<b>Total taxation</b>	<b>28</b>	<b>25</b>	<b>22</b>	<b>48</b>

The tax amounts assessed for the current and prior periods are lower than the amounts resulting from applying the standard rate of corporation tax in the UK for an Open-Ended Investment Company (20%). The differences are explained in table below.

### b. Factors affecting taxation charge for the year:

Net revenue before taxation	310	321	968	1,011
Return on ordinary activities multiplies by the standard rate of Corporation Tax of 20% (2016: 20%)	62	64	194	202
<b>Effects of:</b>				
Interest distributions	-	-	(34)	-
Franked Investment revenue	(20)	(21)	(75)	(76)
Overseas withholding tax	28	25	23	44
Double taxation relief	-	-	(5)	-
Irrecoverable CIS Income tax write off	-	-	-	4
Non-taxable overseas stock dividends	(57)	-	-	-
Tax payable in different periods	(2)	-	(2)	1
Excess management expenses	17	13	(11)	(47)
Non taxable overseas dividends	-	(56)	(68)	(80)
<b>Total tax (note a)</b>	<b>28</b>	<b>25</b>	<b>22</b>	<b>48</b>

### c. Deferred tax

There are no deferred tax provisions for the current or prior year

The Amity Global Equity Income Fund for Charities has not recognised a potential deferred tax asset of £83,719 (2016: £66,539) arising as a result of having unutilised management expenses. The Amity Balanced Fund for Charities has not recognised a potential deferred tax asset of £nil (2016: £ 10,537) arising as a result of having unutilised management expenses. These are not expected to be utilised in the foreseeable future unless the nature of the Fund revenue or capital gains/(losses) changes.

# Notes to the Financial Statements

For the year ended 30 June 2017

## 10. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on cancellation of shares, and comprise:

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Interim distributions	192	185	701	665
Final distributions	189	190	426	498
<b>Total net distributions for the year</b>	<b>381</b>	<b>375</b>	<b>1,127</b>	<b>1,163</b>
Add: Revenue deducted on shares cancelled	3	-	45	1
Deduct: Revenue received on shares created	(1)	(4)	(29)	(24)
	<b>383</b>	<b>371</b>	<b>1,143</b>	<b>1,140</b>
Reconciliation between net revenue and distributions				
Net revenue after taxation	282	296	946	963
Add: Fee charged to capital (net of tax relief)	101	75	197	177
<b>Distributions</b>	<b>383</b>	<b>371</b>	<b>1,143</b>	<b>1,140</b>

## 11. Debtors

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Amounts receivable for creation of shares	-	-	-	3
Accrued revenue	33	30	210	224
Overseas tax recoverable	35	37	19	28
PID income tax recoverable	-	-	1	1
Sales awaiting settlement	106	-	127	22
CIS income tax recoverable	-	-	2	-
	<b>174</b>	<b>67</b>	<b>359</b>	<b>278</b>



# Notes to the Financial Statements

For the year ended 30 June 2017

## 12. Creditors

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Accrued expenses	17	13	24	21
Amount payable for cancellation of shares	-	-	454	-
Purchases awaiting settlement	78	-	-	-
	<b>95</b>	13	<b>478</b>	21

# Notes to the Financial Statements

For the year ended 30 June 2017

## 13. Contingent liabilities and outstanding commitments

The sub-fund Amity Global Equity Income Fund for Charities had a contingent liability on warrants of £18,609 on the balance sheet date (2016: £19,082).

## 14. Related parties

EdenTree Investment Management Limited is regarded as a controlling party by virtue of having the ability to act in concert in respect of the operations of the Company.

EdenTree Investment Management Limited acts as a principal on all the transactions of shares in the Company. The aggregate monies received through creations and liquidations are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and amounts due from EdenTree Investment Management Limited in respect of share transactions at the year end are disclosed in note 11 .

Amounts paid to EdenTree Investment Management Limited in respect of the ACD's periodic charges are disclosed in note 8 . £14,179 (2016: £13,784) was due from the sub-fund Amity Balanced Fund for Charities and £7,070 (2016: £5,633) was due from the sub-fund Amity Global Equity Income Fund for Charities at the year end. EdenTree Investment Management Limited did not enter into any other transactions with the Company during the year under review.

As at 30 June 2017, the ultimate parent company of the Manager, Allchurches Trust Limited owned:

Amity Global Equity Income Fund for Charities

Share class	No of shares	2017	No of shares	2016
A	5,014,322	55%	5,014,322	55%

Amity Balanced Fund for Charities

Share class	No of shares	2017	No of Shares	2016
A	5,013,011	26%	5,013,011	24%

## 15. Financial instruments

In pursuing its investment objectives set out on page 4 the Company may hold a number of financial instruments, these comprise:

- equity and non-equity shares, fixed income securities, and floating rate securities. These are held in accordance with the Company's investment objectives and policies;
- cash, liquid resources and short-term debtors and creditors that arise directly from its operations;
- shareholders' funds which represent investors' monies which are invested on their behalf; and
- short term borrowings used to finance investment activity.

# Notes to the Financial Statements

For the year ended 30 June 2017

## 16. Risks of financial instruments

### Currency exposures:

A proportion of the net assets of the Company are denominated in currencies other than pound sterling, with the effect that the balance sheet and the total return can be affected by currency movements.

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Australian dollar	–	–	210	255
Danish kroner	99	–	–	–
Euro	3,200	2,391	3,144	2,713
Hong Kong dollar	409	632	362	335
Japanese yen	496	351	–	–
Malaysian ringgit	–	1	–	–
Norwegian krone	249	95	176	143
Singapore dollar	174	358	266	368
Pound sterling	2,722	2,556	16,550	16,757
Swedish krona	126	136	329	170
Swiss franc	623	438	–	–
US dollar	3,036	2,284	769	1,824
<b>Net Assets</b>	<b>11,134</b>	<b>9,242</b>	<b>21,806</b>	<b>22,565</b>
Monetary exposures	159	397	6,218	542
Non-monetary exposures	2,563	2,159	10,332	16,215
<b>Net Assets</b>	<b>2,722</b>	<b>2,556</b>	<b>16,550</b>	<b>16,757</b>

The split of the interest rate risk profile by currency is not shown above, as in the ACD's opinion, this does not enhance the user's understanding of the financial statements. The split of currency exposures into monetary and non-monetary exposures is shown only for pound sterling, as this is the only currency which has material monetary exposure.

# Notes to the Financial Statements

For the year ended 30 June 2017

## 16. Risks of financial instruments (Continued)

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Interest rate risk profile of financial assets and liabilities:</b>				
Fixed rate financial assets	–	–	<b>3,461</b>	4,493
Floating rate	–	406	<b>2,670</b>	2,908
Nil interest-bearing securities				
	<b>10,918</b>	8,836	<b>15,565</b>	15,164
<b>Net Assets</b>	<b>10,918</b>	9,242	<b>21,696</b>	22,565

The floating rate financial assets and liabilities comprise currency bank balances and overdrafts that bear interest. The pound sterling floating interest rates are determined after LIBOR, other currencies are determined by the relevant authority.

None of the liabilities of the Funds carry any interest.

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 %	2016 %	2017 %	2016 %
<b>Weight average of fixed interest rates:</b>				
Pound sterling	–	–	<b>4.33</b>	4.78

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	2017 years	2016 years	2017 years	2016 years
<b>Weight average period for financial asset with interest rates:</b>				
Pound sterling	–	–	<b>12.57</b>	12.78

# Notes to the Financial Statements

For the year ended 30 June 2017

## 17. Fair Value

The fair value of a financial instrument is the amount for which it could be exchanged between knowledgeable, willing parties in an arm's length transaction. There is no significant difference between the value of the financial assets, as shown in the financial statements, and their fair value.

	Amity Global Equity Income Fund for Charities		Amity Balanced Fund for Charities	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
<b>Valuation technique as at 30 June 2017</b>				
Level 1	10,918	-	15,567	-
Level 2	-	-	6,129	-
Level 3	-	-	-	-
<b>Total</b>	<b>10,918</b>	<b>-</b>	<b>21,696</b>	<b>-</b>
<b>Valuation technique as at 30 June 2016</b>				
Level 1	8,972	-	15,405	-
Level 2	-	-	6,854	-
Level 3	-	-	-	-
<b>Total</b>	<b>8,972</b>	<b>-</b>	<b>22,259</b>	<b>-</b>

### Level 1

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

### Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly.

### Level 3

Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

The valuation technique has been disclosed under note 2c.

When individual stocks are suspended or delisted, EIM will in the first instance price the stock at the suspension or last traded price. This will be reviewed on a regular basis by the Fund Manager who will decide whether or not to write down the price further based on information available from the company itself, its brokers, auditors or any other reliable market source.

# Notes to the Financial Statements

For the year ended 30 June 2017

## 18. Shareholders' Funds

The Company currently has one share class; Class A Gross Income.

The distribution per share is given in the distribution tables on pages 37 to 38. All shares have the same rights on winding up.

The ACD's service charge for the class of each share is as follows:

Class A\* 0.75%

\*From 1 July 2017 the ACD's service charge for the class of each share has been reduced from 0.75% to 0.55%.

The following table shows the shares in issue during the year:

### Amity Global Equity Income Fund for Charities

	Class A Gross Income
Opening Shares	9,076,191
Shares Created	311,306
Shares Liquidated	(320,132)
Closing Shares	9,067,365

### Amity Balanced Fund for Charities

	Class A Gross Income
Opening Shares	21,261,458
Shares Created	2,921,341
Shares Liquidated	(5,046,935)
Closing Shares	19,135,864

## 19. Post Balance Sheet Events

### Amity Global Equity Income Fund for Charities

There have been no significant events since the year end that impact the Fund and require disclosure in the financial statements.

### Amity Balanced Fund for Charities

There have been no significant events since the year end that impact the Fund and require disclosure in the financial statements.

# Distribution Statements

## Amity Global Equity Income for Charities

For the year ended 30 June 2017

First Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2016

Group 2: Shares purchased on or after 1 July 2016

Share Class A - Dividend Stream Group	Net Income	Equalisation	2016 Paid	2015 Paid
1	0.6000	–	0.6000	0.7000
2	0.3476	0.2524	0.6000	0.7000

Second Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 October 2016

Group 2: Shares purchased on or after 1 October 2016

Share Class A - Dividend Stream Group	Net Income	Equalisation	2016 Paid	2015 Paid
1	0.6000	–	0.6000	0.5000
2	0.1579	0.4421	0.6000	0.5000

Third Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2017

Group 2: Shares purchased on or after 1 January 2017

Share Class A - Dividend Stream Group	Net Income	Equalisation	2017 Paid	2016 Paid
1	0.9000	–	0.9000	0.9000
2	0.4860	0.4140	0.9000	0.9000

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 April 2017

Group 2: Shares purchased on or after 1 April 2017

Share Class A - Dividend Stream Group	Net Income	Equalisation	2017 Paid	2016 Paid
1	2.0814	–	2.0814	2.0971
2	1.6811	0.4003	2.0814	2.0971

A shareholder liable to UK Corporation Tax receives the distribution and associated tax credit as franked investment income to the extent that the gross income from which the distribution is made is itself franked investment income. Where the gross income from which the distribution is made is not wholly franked investment income, part of the distribution is received by the shareholder as an annual payment from the Scheme from which income tax at the lower rate has been deducted.

Of the distribution:

- i) 100% of the final income distribution is received as franked investment income; and
- ii) 0.00% of the final income distribution is received as an annual payment from which income tax at the lower rate has been deducted. The gross amount of this portion of total income distribution is liable to UK Corporation Tax. It is not franked investment income.

# Distribution Statements

## Amity Balanced for Charities

For the year ended 30 June 2017

First Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2016

Group 2: Shares purchased on or after 1 July 2016

Share Class A - Dividend Stream Group	Net Income	Equalisation	2016 Paid	2015 Paid
1	0.6014	–	0.6014	0.8817
2	0.4322	0.1692	0.6014	0.8817

First Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 July 2016

Group 2: Shares purchased on or after 1 July 2016

Share Class A - Non-Dividend Stream Group	Net Income	Equalisation	2016 Paid	2015 Paid
1	0.4986	–	0.4986	0.1683
2	0.3584	0.1402	0.4986	0.1683

Second Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 October 2016

Group 2: Shares purchased on or after 1 October 2016

Share Class A - Dividend Stream Group	Net Income	Equalisation	2016 Paid	2015 Paid
1	0.5791	–	0.5791	0.8536
2	0.2163	0.3628	0.5791	0.8536

Second Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 October 2016

Group 2: Shares purchased on or after 1 October 2016

Share Class A - Non-Dividend Stream Group	Net Income	Equalisation	2016 Paid	2015 Paid
1	0.5209	–	0.5209	0.1964
2	0.1945	0.3264	0.5209	0.1964

Third Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2017

Group 2: Shares purchased on or after 1 January 2017

Share Class A - Dividend Stream Group	Net Income	Equalisation	2017 Paid	2016 Paid
1	0.6718	–	0.6718	0.6186
2	0.2846	0.3872	0.6718	0.6186

Third Interim Distribution (in pence per share)

Group 1: Shares purchased prior to 1 January 2017

Group 2: Shares purchased on or after 1 January 2017

Share Class A - Non-Dividend Stream Group	Net Income	Equalisation	2017 Paid	2016 Paid
1	0.5282	–	0.5282	0.5814
2	0.2237	0.3045	0.5282	0.5814

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 April 2017

Group 2: Shares purchased on or after 1 April 2017

Share Class A - Dividend Stream Group	Net Income	Equalisation	2017 Paid	2016 Paid
1	1.7358	–	1.7358	1.8401
2	0.2487	1.4871	1.7358	1.8401

Final Distribution (in pence per share)

Group 1: Shares purchased prior to 1 April 2017

Group 2: Shares purchased on or after 1 April 2017

Share Class A - Non-Dividend Stream Group	Net Income	Equalisation	2017 Paid	2016 Paid
1	0.4926	–	0.4926	0.5044
2	0.0706	0.4220	0.4926	0.5044

The Amity Balanced Fund for Charities has elected to join the Tax Elected Fund regime.



For further information call us on

**0800 358 3010**

Monday to Friday 8am to 5pm. We may monitor or record calls to improve our service

You may email us at

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Or visit us at

**[www.edentreeim.com/charityinvestments](http://www.edentreeim.com/charityinvestments)**

