EDENTREE INVESTMENT FUNDS

Short Report

30 June 2015

Contents

Management Contact Details

Authorised Corporate Director

The Authorised Corporate Director (ACD) is EdenTree Investment Management Limited (EIM). The investments of EdenTree Investment Funds (EIF) 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.

EdenTree Investment Management Limited
Beaufort House, Brunswick Road,
Gloucester GL1 1JZ

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Email information@edentreeim.com
www.edentreeim.com

Authorised and regulated by the Financial Conduct Authority

Constitution

EIF (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 00037. It is authorised and regulated by the Financial Conduct Authority as a UCITS scheme.

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

Directors of Eden Tree Investment Management Limited

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

Ultimate Parent Company of the ACD

Allchurches Trust Limited
Beaufort House, Brunswick Road,
Gloucester GL11JZ

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
2 New Street Square,
London EC4A 3BZ

Significant Change

The ACD was formerly known as Ecclesiastical Investment Management Limited but changed its name to EdenTree Investment Management Limited with effect from 6 July 2015.

The individual sub-funds have retained the same names but going forward are available under the EdenTree Investment Funds umbrella company.

EIM remains part of the Ecclesiastical Group.

Report of the Authorised Corporate Director – Investment Environment

Investment Environment

The emergency monetary policy installed by the world's major central banks over the past six years remains the most significant factor driving global investment markets today, with the overall backdrop remaining accommodative due to the ongoing unconventional stimulus provided by Japan and Europe. The United States is, however, moving cautiously towards shrinking the size of its balance sheet and normalising policy, and investors and the media are increasingly obsessing over the timing of the first interest rate hike by the Federal Reserve since 2006.

The dividing stances in monetary policy have been most profoundly reflected in currency markets. On a trade weighted basis, the US dollar has appreciated by 5.7% over the course of the first half of the year while the euro has fallen by 8.0%. Yet, despite these concerns over the future path of interest rates, growing uncertainty over Greece's future within the Eurozone, a softer US economy and ongoing geopolitics, risk assets such as global equities delivered positive returns over the six month period and outperformed global bond markets.

UK

Over the course of the first half of 2015, the FTSE All-Share Index increased by 1.1%, as the 0.7% decline in the FTSE 100 Index masked the strong performance of the FTSE 250 Mid-Cap Index and the FTSE Small Cap Index, which rallied by 9.0% and 7.1% respectively over the period.

Following a relatively weak 0.3% rate of expansion in Gross Domestic Product (GDP) over the first quarter of 2015, the Bank of England (BoE) reduced its central growth forecast for the full year in May to 2.6% from 2.9% and revised its predictions for both 2016 and 2017 by a similar amount in order to reflect a more pessimistic outlook for productivity growth and labour supply. However, the economic landscape in the UK remains bright, consumption has been supported in recent months by a rise in real wages and falling unemployment, and although consumer price inflation turned negative in April, the first time since records began in 1960, there is little evidence to suggest that deflationary forces are encouraging consumers to delay purchases, with better-than-expected retail sales figures in the months of April and May. Furthermore, the clouds of uncertainty surrounding the domestic political environment have now cleared following the Conservative Party's unexpected majority win in the General Election in May.

The outcome of the General Election boosted the share prices of domestically focused companies, with UK house builders one of the strongest performing sectors over the period. Telecommunications was another bright spot, amid ongoing speculation of further merger and acquisition (M&A) activity. The healthcare sector led the market down as disappointments relating to specific drugs weighed on some of the large healthcare sector constituents. Mining companies also dragged on market performance amid questions about the health of the Chinese economy, where growth remains weak despite the Chinese central bank cutting both its reserve ratio requirement and interest rates during the period. The oil and gas companies performed poorly overall, despite a strong performance from BG Group following a bid from Royal Dutch Shell.

The FTSE Government All-Stocks Index decreased by 1.3% over the six-month period in capital terms, despite a strong start to the year which saw gilt yields fall to historically low levels. The returns offered on the ten-year and thirty-year gilt fell to 1.3% and 2.0% respectively at the end of January as inflation hit record low levels and the prospect of near-term interest rate rises from the Bank of England diminished. The launch of quantitative easing within the Eurozone also had a large impact as yields on German and French government debt in particular fell to exceptionally low levels, thus making gilts comparatively more attractive to international investors. However, UK bond markets gave back their gains over the second half of the period as concerns of widespread deflation across the globe eased and investors began to refocus on the possibility of interest rate hikes from certain major central banks. UK investment grade corporate bonds also produced negative returns over the first half of the year and underperformed gilts, as rising risk aversion stemming from the crisis surrounding Greece drove investors towards safe-haven assets.

Europe

The FTSE World Europe (excluding UK) Index delivered a return of 11.3% in local currency terms over the period, but weakness in the euro decreased returns for sterling investors to 1.6%. Equities rallied strongly at the beginning of the year as the European Central Bank (ECB) belatedly unleashed its sovereign bond-buying programme which surpassed expectations in terms of scale, with a total of €60 billion bond purchases per month until at least September 2016. The details of the package pushed yields on a growing list of Eurozone government bonds further into negative territory and drove the Euro lower against the currencies of most major trading partners. The ECB's ultra-accommodative measures have boosted consumer and business confidence within the region and indicators of domestic demand have also improved in recent months, which has aided in suppressing fears of deflation.

Meanwhile, the debt crisis in Greece continues to rumble on, with a failure by the incumbent Greek government to secure the election of its candidate as president triggering a general election in January 2015. The election brought into power the anti-austerity Syriza party, which triggered a series of tense discussions with international creditors over the terms of a new bailout agreement. With negotiations surrounding the terms of a new bailout agreement repeatedly stalling, fears of multiple defaults and altogether expulsion from the single currency bloc intensified in the final weeks of the period. Subsequently, the Greek government announced a week-long closure of banks to prevent financial panic and introduced capital controls, including a €60 daily cap on withdrawals from cash machines.

At a national level, equity markets in Ireland and Italy delivered the strongest returns over the period, while Greece and Spain led the declines. The latter fell sharply after the ruling People's Party suffered a heavy defeat in regional and local elections. Voters punished Prime Minister Mariano Rajoy for four years of severe spending cuts and a string of corruption scandals.

US

The Dow Jones Industrial Average Index concluded the six month period flat and the more broadly based S&P 500 Index performed marginally better with a gain of 1.2%, although the strength of sterling reduced returns for UK investors to a loss of 2.1% and 0.7% for the respective indices. Revisions to first-quarter US GDP confirmed that the domestic economy contracted by 0.7% in the opening quarter of 2015, although policymakers at the Federal Reserve largely acknowledged that the slowdown was due to temporary factors and expect the economy to rebound in the second half of the year. The strength of the dollar at the beginning of the year acted as a drag on exports, while adverse weather conditions and strikes at ports along the West Coast also played a role. Meanwhile, the Federal Reserve continues to keep investors guessing as to the timing of its first interest rate increase, with small changes to the wording of Federal Open Market Committee statements bringing the prospect of a rate rise ever-closer, but the overriding message from policymakers is that when they do occur, the path higher will be very gradual.

Japan

The Japanese equity market remains a stand-out performer among developed markets despite insignificant improvements in the domestic economic backdrop. The Nikkei 225 Index posted a 16.0% return over the six-month period, however, the weakness of the yen reduced returns for sterling investors to 12.2%, despite the fact that the domestic economy has struggled to rebound from a sales tax hike imposed last year and inflationary pressures remain absent. Nevertheless, a weakening Japanese yen and a low oil price have provided domestic companies with a favourable competitive environment, as the former boosts the competitiveness of domestic products in international markets and increases the value of foreign earnings when converted back into yen, while the latter reduces input costs for many Japanese companies. Another positive development surrounding domestic companies has been the shift towards increasing returns to shareholders. In the twelve months to the end of March, the value of dividends and share buybacks from Japanese companies increased by 76% year-over-year. Should these trends continue, the Japanese equity market may become increasingly attractive to international investors and this could drive the market further.

Asia Pacific ex. Japan

Equity markets across the region broadly delivered marginally positive returns over the period, as strong gains in Greater China markets were juxtaposed against losses in Southeast Asian and Indian markets. Chinese equities, notably in the onshore A shares markets, delivered the strongest returns although this masked high levels of volatility. The Shanghai Composite Index increased 151% in the twelve months to the beginning of June (in sterling terms) as a slew of stimulus measures from rate cuts to reforms and liquidity initiatives aimed at supporting the economy and domestic investment markets boosted equity returns. However, in the final month of the period, share prices declined sharply as concerns grew over excessive valuations and regulatory attempts to contain growth in margin lending accounts. Over the period, economic fundamentals deteriorated with Chinese GDP growth for the first quarter of 2015 slowing to 7% and export, industrial production and manufacturing data all remaining soft.

Outlook

We retain a cautious outlook for markets as we move into the second half of 2015. The UK and the US recoveries remain fragile and could soon be tested with both the Bank of England and the Federal Reserve seeking to implement rises in their respective base rates as they attempt to normalise monetary policy. The Eurozone economy continues to show few signs of moving out of stagnation and Greece remains an ongoing source of uncertainty. In Asia, Japan is a beneficiary of falling commodity prices and a weaker domestic currency, while the Chinese economy is experiencing a significant slowdown in activity and needs to tread a delicate policy path of stimulating growth without provoking an equity bubble.

Investment Objective and Policies

These Funds are marketable to all retail investors.

These Funds are managed in line with the requirements for inclusion in an ISA. The portfolio will consist primarily of transferable securities but the Manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the Funds' objectives.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Funds, although it may, subject to obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days notice to shareholders in the Funds, use derivatives in pursuit of their investment objectives in the future. If derivatives are used for the purpose of meeting the investment objectives of the Funds it is not intended that the use of derivatives would cause the Net Asset Value of the Funds to have higher volatility or otherwise cause the existing risk profiles of the Funds to change.

Amity UK

The Fund aims to achieve long-term capital appreciation and a reasonable level of income by investing principally in UK companies.

The Amity UK Fund seeks to invest in a portfolio of 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 a material involvement in alcohol, tobacco and weapon production, gambling and publication of violent or explicit materials.

Amity European

To achieve long-term capital growth with a reasonable level of income primarily through a diversified portfolio of European companies.

The Amity European Fund seeks to invest in a portfolio of 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 a material involvement in alcohol, tobacco and weapon production, gambling and publication of violent or explicit materials.

Amity International

To achieve long-term capital growth with a reasonable level of income primarily through a diversified portfolio of International companies.

The Amity International Fund seeks to invest in a portfolio of 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 a material involvement in alcohol, tobacco and weapon production, gambling and publication of violent or explicit materials.

Amity Sterling Bond

The Fund aims to provide an attractive level of income.

The Amity Sterling Bond Fund seeks to invest in a highly diversified portfolio of Government and good quality fixed interest securities issued by companies which make a positive contribution to society and the environment through sustainable and socially responsible practices.

The Fund's investments will be principally denominated in sterling but the Fund may invest in other currency bonds and securities that the manager thinks appropriate to meet the investment objective.

The Fund seeks to avoid investment in certain areas such as companies which have a material involvement in alcohol, tobacco and weapon production, gambling and publication of violent or explicit materials.

Higher Income

To provide an above average and growing level of income together with capital growth over the longer term.

The Manager will seek to achieve the investment objective by investing in a mix of equities, fixed interest securities and such other investments that the Manager considers suitable.

UK Equity Growth

To achieve long-term capital growth with a reasonable level of income.

The UK Equity Growth Fund is designed to invest primarily in a range of UK incorporated and/or listed companies which the Manager believes offer good potential for long-term capital growth.

Risk Profile

Amity UK

Most of the assets will be invested in the UK stock market so could be affected by any change in this market.

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 European

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

The entire market of European stocks and shares might decline thus affecting the prices and values of the assets.

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 International

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.

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 Sterling Bond

The Fund holds a variety of different fixed interest securities including government and corporate bonds, preference shares and permanent interest bearing shares with a spread of durations. The Fund may invest in index or inflation linked bonds as well as conventional fixed interest instruments. Some of the bonds hold credit ratings however the Fund also invests in unrated bonds and other fixed interest instruments.

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

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

The annual management charge is taken from capital not income so the capital value of the Fund could be reduced over time.

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.

Higher Income

Most of the assets will be invested in the UK stock market so could be affected by any change in this market.

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.

The annual management charge is 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.

UK Equity Growth

Most of the assets will be invested in the UK stock market so could be affected by any change in this market.

Amity UK Fund

Report of the Authorised Corporate Director

This review covers the period from 1 January 2015 to 30 June 2015.

Over the course of the period under review the Amity UK Fund returned 8.0%*, outperforming the return on the FTSE All-Share Index of 3.0% and the IA All Companies sector average return of 6.0%, both measured on a similar basis.

The Manager's ethical screening process generally excludes mining and oil companies and weakness in these two large sectors to which the Fund has very little exposure helped its performance relative to the FTSE All Share Index. The Fund's above average exposure to small and medium sized companies also contributed to outperformance.

From a sector allocation perspective, the Fund benefited from being overweight in General Industrials, Food & Drug Retailers and Construction & Materials which performed strongly and from being underweight in Mining, Beverages, Banks and the Oil & Gas sectors which performed poorly. Underweight positions in Healthcare and Utilities acted as a drag on performance.

At a stock level, Scapa, Galliford Try and Smith (DS) were amongst the biggest contributors to performance, whilst significant detractors included Oxford Instruments, Smith & Nephew and Pennon Group.

In respect of Fund activity, positions in several holdings were augmented – Morgan Sindall (Engineering & Construction), Fenner (Machinery), Smiths Group (General Industrials), Porvair (Environment Technology) and Alent (Specialty Chemicals). The Fund participated in capital raises by Pinewood Group (Media) and Kier Group (Construction). On the M&A front, the takeover of Catlin (Insurance) by US based XL group (part cash and shares) was completed resulting in the sale of shares received in XL Group.

Prospects

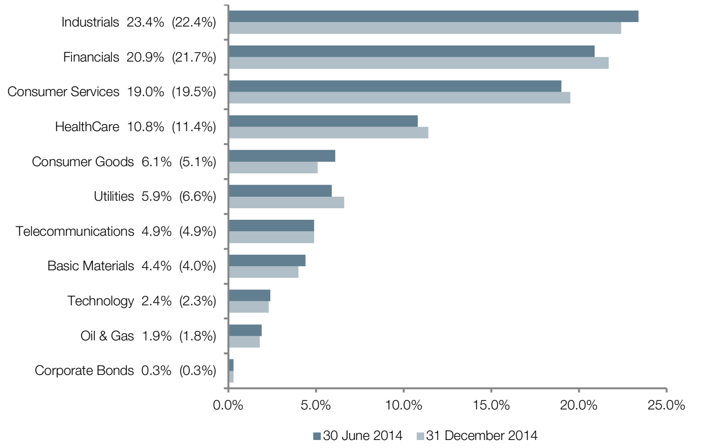
Markets continue to be dominated by macroeconomic and political uncertainties with Europe dealing with the fallout over Greece and the increased volatility in China. The fear is that the tentative signs we have seen of an economic recovery in the Eurozone since the introduction of quantitative easing in January could now be derailed. Elsewhere, the first rise in interest rates in both the US and UK could soon be in sight bringing further market volatility. With a significant number of unknowns on the horizon the portfolio is constructed with an emphasis on selecting companies whose fortunes lie more in their own hands without an over-reliance on general macroeconomic tailwinds. The portfolio is constructed by selecting stocks on the basis of their individual merits and prospects, and in this regard the prospects for the Fund's investments remain encouraging. The Fund continues to maintain healthy cash balances, patiently seeking to invest in companies at attractive valuations in line with its long-term strategy.

* mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer.

Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more. The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

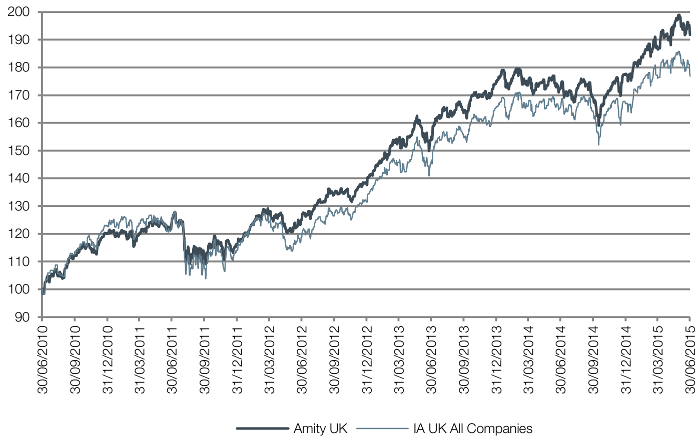
Asset allocation by sector at 30 June 2015

The figures in brackets show allocation at 31 December 2014



Figures exclude cash

Performance



Graph showing the return of the Amity UK Fund compared to IA UK All Companies Sector Average from 30 June 2010 to 30 June 2015, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

Performance and ranking

	Amity UK Fund		IA UK All Companies Sector Average	
	Total Return	Rank	Total Return	Number
01/01/15 – 30/06/15	8.0%	63	6.0%	273
01/01/14 – 31/12/14	1.5%	91	0.7%	272
01/01/13 – 31/12/13	27.2%	109	26.2%	261
01/01/12 – 31/12/12	18.4%	74	15.4%	279
01/01/11 – 31/12/11	-3.4%	45	-6.9%	295
01/01/10 – 31/12/10	19.4%	81	17.5%	296

Table showing % return and ranking of the Amity UK Fund against IA UK All Companies Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

Major holdings

Top ten holdings	Percentage of total net assets at 30 June 2015
Halma	2.28%
Next	2.21%
Dechra Pharmaceuticals	2.18%
BT	2.13%
Dunelm Group	2.11%
Provident Financial	2.06%
Prudential	2.00%
Smith (DS)	1.88%
Smith & Nephew	1.88%
GlaxoSmithKline	1.84%

Ongoing Charges Figures

As at	Class A	Class B	Class C
30 June 2015	1.56%	0.81%	1.31%
31 December 2014	1.59%	0.84%	1.34%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Reward Profile

Lower risk Higher risk

Typically lower rewards Typically higher rewards

1 2 3 4 **5** 6 7

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.

Share prices

Calendar year	Share price range: Highest for the year (p)	Lowest for the year (p)
30 June 2015		
Share Class A	225.50	198.40
Share Class B	225.10	197.50
Share Class C	407.40	358.00
31 December 2014		
Share Class A	206.30	181.70
Share Class B	205.50	181.80
Share Class C	366.40	325.00
31 December 2013		
Share Class A	202.90	163.40
Share Class B	203.10	162.50
Share Class C	356.90	285.00
31 December 2012		
Share Class A	163.10	138.80
Share Class B	163.10	138.00
Share Class C	281.70	237.40
31 December 2011		
Share Class A	152.70	130.40
Share Class B	152.20	130.20
Share Class C	258.60	221.00
31 December 2010		
Share Class A	146.00	119.30
Share Class B	146.00	118.60
Share Class C	243.10	196.30

Fund size & Net income distributions/accumulations

Calendar year	Fund size: Net asset value (£)	Net asset value (p)	Number of shares in issue	Net income distributions/ accumulations: Pence per share
30 June 2015				
Share Class A	41,201,983	215.85	19,087,869	1.1000
Share Class B	54,414,790	215.51	25,249,435	1.3000
Share Class C	39,701,743	392.15	10,124,196	1.9000
31 December 2014				
Share Class A	41,790,951	200.80	20,812,700	2.7171
Share Class B	45,391,688	199.84	22,713,969	4.2605
Share Class C	38,308,178	362.37	10,571,470	5.8315
31 December 2013				
Share Class A	47,875,131	200.66	23,859,234	2.8066
Share Class B	31,340,956	199.66	15,697,212	4.2446
Share Class C	40,063,850	356.24	11,246,239	5.8589
31 December 2012				
Share Class A	39,242,884	160.07	24,515,933	2.5629
Share Class B	13,567,100	159.14	8,525,363	3.7696
Share Class C	34,024,476	279.25	12,184,080	5.1940
31 December 2011				
Share Class A	29,014,204	137.43	21,111,361	2.1839
Share Class B	9,572,978	136.57	7,009,586	3.3629
Share Class C	31,002,129	235.14	13,184,580	4.4652
31 December 2010				
Share Class A	27,177,774	143.89	18,887,465	2.3329
Share Class B	6,471,046	143.02	4,524,589	3.4253
Share Class C	34,125,006	241.77	14,114,580	4.5978

Amity European Fund

Report of the Authorised Corporate Director

This review covers the period from 1 January 2015 to 30 June 2015.

Over the first six months of 2015 the Amity European Fund returned 4.2%* compared to the IA Europe excluding UK sector average return of 6.3% whilst the FTSE World Europe ex UK index returned 4.1%.

The European equity markets started the period strongly reflecting optimism that most of the Eurozone economies were finally pulling out of recession however this dimmed as the Greek crisis increasingly dominated the headlines. The brinkmanship practised by the new Greek prime minister, Alexis Tspiras and his radical leftwing Chancellor, Yannis Varoufakis culminating in a surprise referendum, threatened to lead to a Greek default and exit from the Eurozone. This led to sharp falls in the Euro with the flight to quality eventually forcing the Swiss central bank to abandon its attempt to cap the value of the Swiss franc which subsequently appreciated sharply.

The Fund benefited from an overweight position in the materials sector with strong performance coming from the Norwegian Fertiliser Manufacturer, Yara, the German Building Materials Company, Braas Monier and the Irish Packaging Company, Smurfit Kappa. The Fund also benefited from strong performance from the Food Retailing Companies, Metro and Carrefour. The biggest negative contribution to performance was from an underweight position towards the Swiss market and consequently an underweight position in Swiss Franc denominated equities which rose in value as the Swiss Franc moved higher.

The Fund added holdings in a German Climate Control Business, Centrotec, and a German Autoparts Manufacturer, Elringklinger. The Fund switched out of Zurich Insurance following the rapid appreciation of the Swiss Franc and reinvested into Talanx and Allianz which were looking more attractive on valuation grounds. The Fund remains underweight towards the banking sector but increased exposure through a purchase of Banco Santander which should benefit from the strengthening Spanish and UK economies. The Fund sold out of Ansaldo STS following an agreed takeover offer from Hitachi. The Fund also increased exposure to a number of existing holdings including Carl Zeiss Meditec, Eurazeo and ENEL. The Fund also sold out of positions in the Austrian oil company OMV and the Finnish power producer Fortum.

Prospects

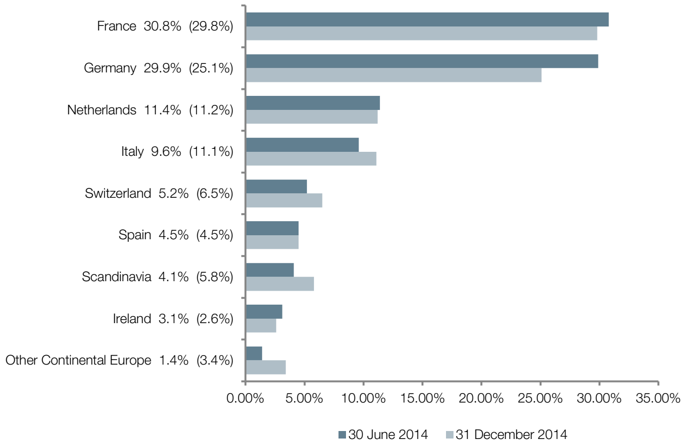
The Eurozone has experienced a revival in the demand side of the economy, stimulated by monetary and fiscal policies, a significant fall in international oil prices and a weaker Euro exchange rate. These factors have aided in supporting this cyclical recovery in the economy. However, key risks remain, most notably through the difficult relationship between Greece and the rest of the Euro Area, which continues to be a source of uncertainty surrounding the prospect for future growth and financial markets across the region. Consequently, it is likely that we will see continued volatility in the European equity markets over the summer period but the long term fundamentals remain supportive for further gains.

* mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer.

Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more. The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

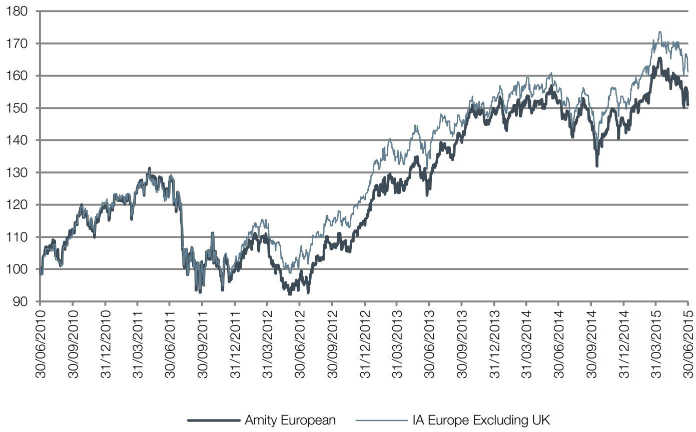
Asset allocation by sector at 30 June 2015

The figures in brackets show allocation at 31 December 2014



Figures exclude cash

Performance



Graph showing the return of the Amity European Fund compared to IA Europe (excluding UK) Sector Average from 30 June 2010 to 30 June 2015, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

Performance and ranking

	Amity European Fund		IA Europe (excluding UK) Sector Average	
	Total Return	Rank	Total Return	Number
01/01/15 – 30/06/15	4.2%	100	6.3%	113
01/01/14 – 31/12/14	-3.0%	85	-1.0%	109
01/01/13 – 31/12/13	31.5%	13	26.1%	99
01/01/12 – 31/12/12	13.4%	97	19.1%	105
01/01/11 – 31/12/11	-16.3%	61	-15.9%	108
01/01/10 – 31/12/10	13.6%	23	8.8%	111

Table showing % return and ranking of the Amity European Fund against IA Europe (excluding UK) Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

Major holdings

Top ten holdings	Percentage of total net assets at 30 June 2015
Merk KGaA	3.03%
Smurfit Kappa	2.95%
Sanofi-Aventis	2.83%
Novartis	2.78%
Wolters Kluwer	2.75%
Cie Generale des Etablissements Michelin 'B'	2.67%
Telefonica Deutschland	2.32%
Roche	2.14%
Indus Holdings	2.06%
Bayer	1.92%

Ongoing Charges Figures

As at	Class A	Class B	Class C
30 June 2015	1.58%	0.83%	1.33%
31 December 2014	1.66%	0.91%	1.41%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Reward Profile

Lower risk | Higher risk

Typically lower rewards | Typically higher rewards

1 2 3 4 5 **6** 7

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 6 as its price has experienced very significant rises and falls historically.

Share prices

Calendar year	Share price range: Highest for the year (p)	Share price range: Lowest for the year (p)
30 June 2015		
Share Class A	218.30	187.60
Share Class B	220.50	189.10
Share Class C	249.60	214.40
31 December 2014		
Share Class A	209.30	174.20
Share Class B	211.70	176.30
Share Class C	236.00	198.60
31 December 2013		
Share Class A	203.10	156.60
Share Class B	205.40	157.80
Share Class C	226.70	173.10
31 December 2012		
Share Class A	157.70	126.90
Share Class B	159.60	128.00
Share Class C	172.20	137.80
31 December 2011		
Share Class A	185.50	130.20
Share Class B	187.40	131.60
Share Class C	195.60	138.30
31 December 2010		
Share Class A	170.60	139.90
Share Class B	172.60	141.10
Share Class C	178.60	146.00

Fund size & Net income distributions/accumulations

Calendar year	Fund size: Net asset value (£)	Fund size: Net asset value (p)	Fund size: Number of shares in issue	Net income distributions/ accumulations: Pence per share
30 June 2015				
Share Class A	7,893,857	196.97	4,007,588	2.0000
Share Class B	55,260,362	198.93	27,778,844	2.4000
Share Class C	681,760	227.64	299,488	2.4000
31 December 2014				
Share Class A	10,075,765	190.86	5,279,177	2.2396
Share Class B	50,028,273	192.34	26,010,550	3.8409
Share Class C	661,258	218.02	303,296	3.2535
31 December 2013				
Share Class A	12,300,539	198.94	6,182,976	2.9232
Share Class B	44,606,848	200.51	22,246,675	4.3700
Share Class C	753,398	223.99	336,352	3.7859
31 December 2012				
Share Class A	10,296,530	153.71	6,698,684	2.9180
Share Class B	30,854,302	154.85	19,925,129	4.0964
Share Class C	670,134	169.91	394,400	3.6114
31 December 2011				
Share Class A	9,974,925	138.17	7,219,324	3.3561
Share Class B	27,791,540	139.14	19,973,491	4.6308
Share Class C	621,069	149.26	416,100	3.9748
31 December 2010				
Share Class A	6,946,462	168.71	4,117,343	2.0948
Share Class B	32,921,071	169.99	19,366,186	3.3853
Share Class C	695,298	177.78	391,100	2.6968

Amity International Fund

Report of the Authorised Corporate Director

This review covers the period from 1 January 2015 to 30 June 2015.

Over the first six months of 2015, the Amity International Fund returned 0.4%*, underperforming the 2.7% return of the IA Global sector average and the FTSE All World index return of 2.2%.

Asset allocation was positive for the period, the Fund's overweight exposure to Asian markets added value as Asian equities outperformed the global index. Additionally, the Fund's underweight exposure to US equities added to performance as the US market lagged behind, following weaker than expected economic data and the impact of the strong US dollar on corporates' overseas earnings.

The Fund's overweight allocation to Eurozone equities added value as the region outperformed, although the bulk of the performance came in the first quarter following the announcement of quantitative easing by the ECB. The second quarter saw Eurozone equities give back some of their gains as concerns grew around a Greek exit from the currency region.

The Fund's overweight allocation to UK equities was beneficial as the UK market posted positive relative returns.

Market volatility around the general election in May was short-lived as the Conservative Party secured an unexpected overall majority that helped the UK avoid what may have been potentially weeks of coalition negotiations.

Stock selection was weak during the period and led to the overall underperformance of the Fund. Within Asia, stock selection was mixed; Smartphone Casings Manufacturer BYD Electronic and Corrugated Paperboard Maker Hop Fung added most value at stock-level, the former benefitting from the success of the new Samsung Galaxy S6 and Edge phone launches, while the latter rallied on the sale of one of its factories for a considerably higher than expected price. Conversely, positions in marine logistics company Ezion Holdings and waste-water treatment company Sound Global have been the largest detractors from performance, the latter's shares being suspended from trading following allegations of inaccurate accounting.

There were no major changes to the Fund's allocation or strategy during the period. The Fund remains overweight in Asian equities primarily through exposure to Hong Kong and Singapore, and underweight in US equities. Cash remains at around 4%, in line with its long-term average allocation in the portfolio.

The main transactions of the Fund during the period included opening a position in Japanese firm TechnoPro and topping up holdings in Samsung Electronics and Sanofi. The largest sell orders were exiting positions in the Fidelity Japanese Values Fund and French bank Societe Generale, as well as trimming the holding in BYD Electronics after a strong run.

Prospects

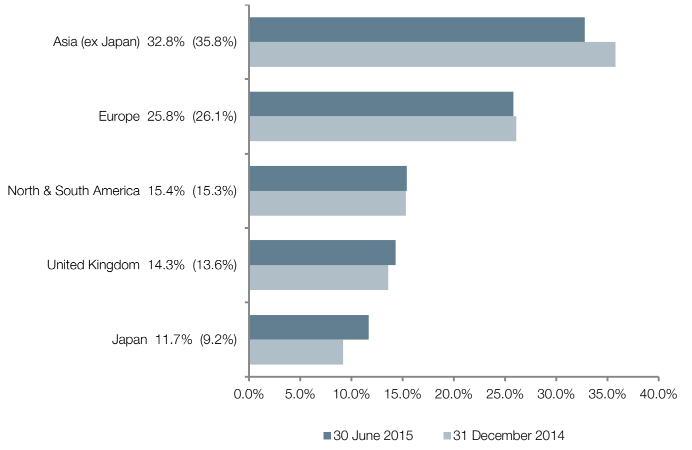
The Fund remains significantly underweight in US equities relative to the benchmark. This is due to concerns over elevated valuations and unsustainably high profit margins. The Fund remains overweight in Asian equities to reflect the House view of a positive, long-term outlook for the region combined with attractive valuations. We continue to favour stock specific, bottom-up ideas based on companies that exhibit resilient earnings streams, strong balance sheets and generate large and consistent cash flows.

* mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer.

Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more. The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

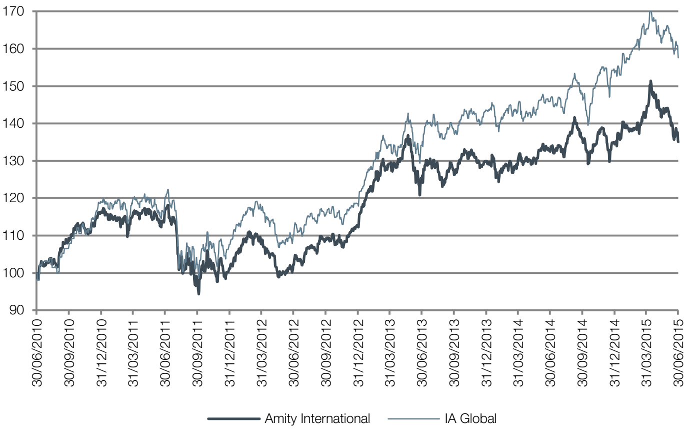
Asset allocation by sector at 30 June 2015

The figures in brackets show allocation at 31 December 2014



Figures exclude cash

Performance



Graph showing the return of the Amity International Fund compared to IA Global Sector Average from 30 June 2010 to 30 June 2015, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

Performance and ranking

	Amity International Fund		IA Global Sector Average	
	Total Return	Rank	Total Return	Number
01/01/15 – 30/06/15	0.4%	221	2.7%	280
01/01/14 – 31/12/14	3.5%	205	7.1%	277
01/01/13 – 31/12/13	15.8%	199	21.7%	239
01/01/12 – 31/12/12	10.9%	105	9.6%	234
01/01/11 – 31/12/11	-13.0%	166	-10.2%	218
01/01/10 – 31/12/10	18.1%	61	15.9%	212

Table showing % return and ranking of the Amity International Fund against IA Global Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

Major holdings

Top ten holdings	Percentage of total net assets at 30 June 2015
GlaxoSmithKline	2.50%
General Electric Class 'C'	2.29%
Intel	2.05%
Minth	2.05%
DBS Group	1.92%
Sumitomo Mitsui Financial	1.92%
Sony Sonoco Products Company	1.83%
Baker Hughes	1.75%
Sanofi-Aventis	1.73%
Aviva	1.73%

Ongoing Charges Figures

As at	Class A	Class B	Class C
30 June 2015	1.56%	0.81%	1.31%
31 December 2014	1.58%	0.83%	1.33%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Reward Profile

Lower risk Higher risk

Typically lower rewards Typically higher rewards

1 2 3 4 **5** 6 7

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.

Share prices

Calendar year	Share price range Highest for the year (p)	Lowest for the year (p)
30 June 2015		
Share Class A	239.60	212.00
Share Class B	241.70	213.40
Share Class C	256.80	227.10
31 December 2014		
Share Class A	225.00	119.10
Share Class B	226.90	200.40
Share Class C	239.80	210.20
31 December 2013		
Share Class A	222.20	184.40
Share Class B	224.10	185.50
Share Class C	231.00	191.50
31 December 2012		
Share Class A	184.70	162.90
Share Class B	186.60	164.30
Share Class C	190.10	166.30
31 December 2011		
Share Class A	197.30	157.50
Share Class B	198.70	158.80
Share Class C	198.40	158.50
31 December 2010		
Share Class A	196.80	163.60
Share Class B	198.80	164.70
Share Class C	195.20	160.80

Fund size & Net income distributions/accumulations

Calendar year	Net asset value (£)	Fund size Net asset value (p)	Number of shares in issue	Net income distributions/ accumulations Pence per share
30 June 2015				
Share Class A	73,723,559	211.66	34,831,112	1.7000
Share Class B	147,125,382	213.30	68,977,398	2.2500
Share Class C	847,608	228.87	370,349	1.7500
31 December 2014				
Share Class A	101,741,380	212.29	47,926,263	2.5410
Share Class B	127,034,754	213.61	59,470,777	4.1784
Share Class C	850,327	227.39	373,943	3.2662
31 December 2013				
Share Class A	138,681,552	207.69	66,773,865	2.8560
Share Class B	91,017,938	208.94	43,560,872	4.4464
Share Class C	999,575	219.26	455,890	3.5124
31 December 2012				
Share Class A	136,564,428	181.90	75,078,729	2.6610
Share Class B	60,885,669	182.97	33,276,326	4.0060
Share Class C	1,163,116	188.91	615,700	3.1863
31 December 2011				
Share Class A	123,610,812	166.27	74,345,378	3.2238
Share Class B	50,311,329	167.22	30,086,840	4.6012
Share Class C	954,703	169.66	562,700	3.6437
31 December 2010				
Share Class A	86,093,059	194.35	44,298,557	2.8530
Share Class B	49,321,678	196.01	25,162,885	4.1003
Share Class C	1,013,884	194.79	520,506	3.1479

Amity Sterling Bond Fund

Report of the Authorised Corporate Director

This review covers the period from 1 January 2015 to 30 June 2015.

Over the course of the period under review the Amity Sterling Bond Fund returned 0.6%* compared with the IA Sterling Strategic Bond sector average return of 0.5% whilst the FTSE All Stock index returned -1.3%.

The 10 year UK gilt yield was at an all-time low of 1.4% at the end of January due to a mixture of quantitative easing by Japan and the Eurozone, falling commodity prices and the prospect of Greece exiting the Euro. This all weighed on investor confidence and lead to a flight to 'quality' benefiting the gilt market. In fact the low in the gilt market coincided with the election of the radical left-wing party, Syriza, in Greece which led to a prolonged period of uncertainty and negotiation in the Eurozone as Grexit appeared a real possibility. 10 year gilt yields began to rise from these extremely low levels, however economic growth in the UK and US strengthened and investors seemed to increasingly believe that Grexit could be contained without spilling over to the rest of the financial markets. In the UK improving economic conditions with stronger economic growth, rising house prices and an improving labour market increased the prospect of earlier base rate rises by the Bank of England helping to push the 10 year gilt yield up to 2.2% by the end of the period. The rise in gilt yields led to capital losses resulting in a negative return for the FTSE All Stock government bond index.

Corporate bond credit spreads narrowed over the period as the quantitative easing in the Eurozone intensified the search for yield leading to strong demand for corporate credits. Corporate bonds therefore tended to generate positive returns despite the negative environment for the gilt market.

The Fund performed well compared to the FTSE All Stock gilt index due to the relatively short duration of the portfolio compared to the gilt market and its high exposure to corporate bonds. The shorter duration of the fund reduced any capital losses from the rise in gilt yields whilst benefiting from both the narrowing in corporate bond credit spreads and the pick up in yield over gilts.

Over the second half of the period the Fund increasingly looked to invest at the shorter end of the market and also in gilts as we sought to reduce the duration of the Fund and increase liquidity as bond yields continued to decline.

Prospects

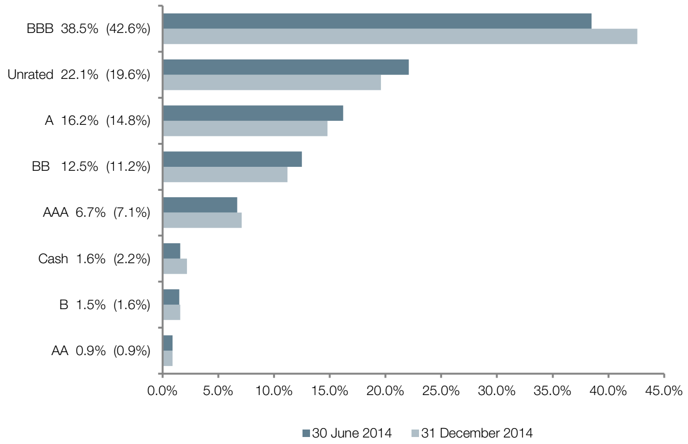
The collapse in the oil price and other commodities has resulted in inflation falling to very low levels but these impacts are only likely to be temporary, as even if commodity prices do not recover the downward movement will increasingly be captured in the previous year's prices from July. The weakness of the Euro will also have a deflationary impact on the UK economy but signs of a recovery could reverse this later in the year. Meanwhile in the UK GDP growth remains strong and unemployment is falling. This should help provide the Bank of England with ammunition to start raising base rates later in the year and we should expect bond yields to creep up.

* mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer.

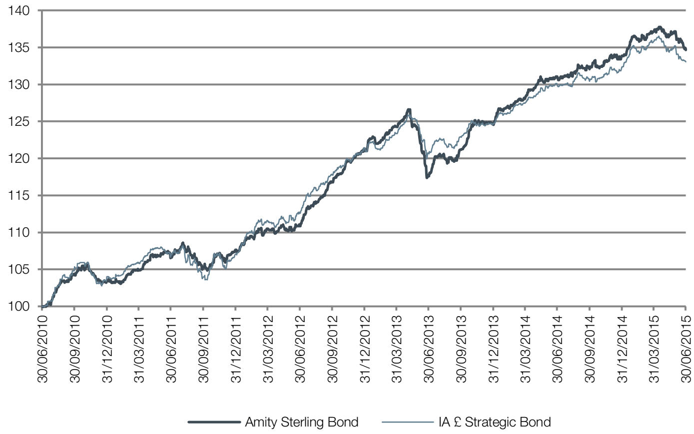
Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more. The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

Asset allocation by sector at 30 June 2015

The figures in brackets show allocation at 31 December 2014



Performance



Graph showing the return of the Amity Sterling Bond Fund compared to IA £ Strategic Bond Sector Average from 30 June 2010 to 30 June 2015, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

Performance and ranking

	Amity Sterling Bond Fund		IA £ Strategic Bond Sector Average	
	Total Return	Rank	Total Return	Number
01/01/15 – 30/06/15	0.6%	45	0.5%	96
01/01/14 – 31/12/14	7.5%	32	6.1%	89
01/01/13 – 31/12/13	2.7%	44	2.7%	72
01/01/12 – 31/12/12	12.6%	46	13.4%	77
01/01/11 – 31/12/11	4.2%	25	2.1%	70
01/01/10 – 31/12/10	7.9%	38	8.6%	64

Table showing % return and ranking of the Amity Sterling Bond Fund against IA £ Strategic Bond Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

Major holdings

Top ten holdings	Percentage of total net assets at 30 June 2015
UK Treasury 2% 22/01/2016	3.00%
Places For People 5% 27/12/2016	2.69%
Nottingham Building Society 7.875% PIBS	2.56%
F&C Asset Management 6.75% 20/12/2026	2.21%
London Stock Exchange 4.75% 02/11/2021	2.05%
Premier Farnell 8.920%	1.97%
Beazley Group 7.25% 17/10/2026	1.97%
Coventry Building Society 12.125% PIBS	1.89%
Society Of Lloyds 7.421% Perpetual	1.89%
Nationwide Building Society 6.25% PIBS	1.85%

Ongoing Charges Figures

As at	Class A	Class B	Class C
30 June 2015	1.30%	0.70%	N/A
31 December 2014	1.37%	0.77%	N/A

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Reward Profile

Lower risk | Higher risk

Typically lower rewards | Typically higher rewards

1 2 **3** 4 5 6 7

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 3 as its price has experienced moderate rises and falls historically.

Share prices

Calendar year	Share price range: Highest for the year (p)	Share price range: Lowest for the year (p)
30 June 2015		
Share Class A	110.90	107.80
Share Class B	119.40	116.20
Share Class C*	N/A	N/A
31 December 2014		
Share Class A	109.60	105.20
Share Class B	117.70	112.30
Share Class C*	N/A	N/A
31 December 2013		
Share Class A	110.60	101.50
Share Class B	117.60	108.00
Share Class C*	N/A	N/A
31 December 2012		
Share Class A	108.20	99.19
Share Class B	114.80	104.70
Share Class C*	N/A	N/A
31 December 2011		
Share Class A	103.10	98.17
Share Class B	108.40	103.50
Share Class C*	N/A	N/A
31 December 2010		
Share Class A	103.90	97.95
Share Class B	108.90	102.30
Share Class C*	N/A	N/A

Fund size & Net income distributions/accumulations

Calendar year	Fund size: Net asset value (£)	Fund size: Net asset value (p)	Fund size: Number of shares in issue	Net income distributions/ accumulations: Pence per share
30 June 2015				
Share Class A	26,262,647	106.17	24,736,467	2.1011
Share Class B	58,116,547	114.44	50,783,860	2.2644
Share Class C*	N/A	N/A	N/A	N/A
31 December 2014				
Share Class A	29,577,436	107.59	27,490,680	4.5799
Share Class B	51,431,696	115.61	44,486,860	4.9123
Share Class C*	N/A	N/A	N/A	N/A
31 December 2013				
Share Class A	37,257,841	104.21	35,751,715	4.6794
Share Class B	26,220,604	111.26	23,566,934	4.9681
Share Class C*	N/A	N/A	N/A	N/A
31 December 2012				
Share Class A	40,605,688	105.90	38,343,135	4.8509
Share Class B	12,683,736	112.35	11,289,840	5.1192
Share Class C*	N/A	N/A	N/A	N/A
31 December 2011				
Share Class A	26,967,350	98.03	27,508,413	4.9778
Share Class B	11,491,861	103.41	11,113,202	5.0266
Share Class C*	N/A	N/A	N/A	N/A
31 December 2010				
Share Class A	14,074,490	99.30	14,174,265	4.8393
Share Class B	11,498,677	104.53	11,000,000	4.8702
Share Class C*	N/A	N/A	N/A	N/A

* Share Class C is currently inactive.

Higher Income Fund

Report of the Authorised Corporate Director

This review covers the period from 1 January 2015 to 30 June 2015.

Over the course of the period, the Higher Income Fund returned 1.7%*, underperforming the 3.1% return of the IA Mixed Investments (40-85%) sector average. Over the same period the FTSE All-Share Index registered a return of 3.0% and the FTSE Government All Stocks Index returned -1.3%, both measured on a similar basis.

The Fund's balanced allocation between equities and fixed income was a cause of underperformance against peers who have greater equity exposure as bond markets lagged behind equities during the period.

Within the Fund's equity portfolio, overseas exposure had a mixed impact. The allocation to Asia and particularly Hong Kong and Japanese equities added value, as did exposure to Eurozone equities, but the allocation to the US market was detrimental to performance as US equities underperformed.

At sector level, the Fund's exposure to European utilities had a negative impact as defensive sectors were left behind in a market rally driven by the ECB announcement of quantitative easing in January.

At stock level, positions in specialty Polymer Manufacturer Synthomer, Japanese Mega-Cap Bank Sumitomo Mitsui Financial and the UK's Royal Mail were the largest contributors to performance. Conversely, positions in Oil Giant Shell, Hong Kong-listed Jewellery Retailer Luk Fook, US Technology firm Intel and the European utility holdings were the largest detractors from performance.

Within the Fund's fixed income portfolio, the greater allocation to corporate bonds had little impact as corporates performed approximately in line with government bonds. The yield on the 10 year Gilt began the period at 1.76% and briefly fell to a record low of close to 1.3% before rising by the end of the period to finish at 2.2%.

In respect of Fund activity, major transactions included purchases of shares in Canadian oil & gas company Crescent Point Energy, Japanese firm TechnoPro and UK infrastructure fund John Laing Environmental Assets Group. The largest sell orders during the period were to close positions in two Singapore REITS; Capital and Commercial Trust and SunTec REIT.

Prospects

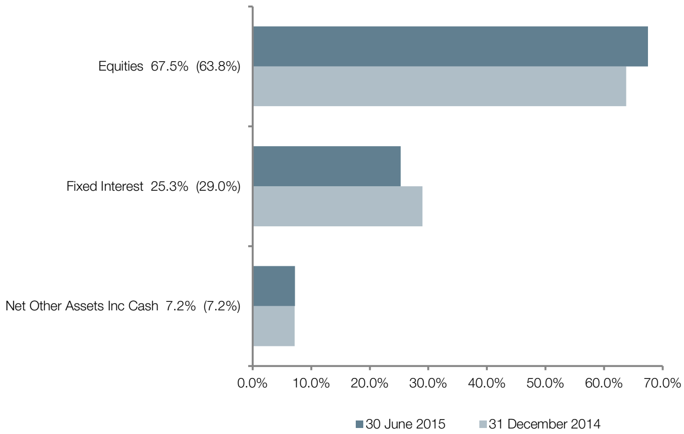
Concerns over a Greek exit from the Eurozone dominated the latter half of the period and threatened to derail a QE-driven recovery in the region. Meanwhile in Asia, Chinese equities experienced a very strong rally but were then sold off by the end of the period as sentiment turned negative. Markets during the second half of 2015 will continue to be driven by Greece and the economic slowdown in China, but will also increasingly focus on the impact of upcoming interest rate rises in the UK and US. We continue to focus on bottom-up stock-picking, taking a long-term approach and looking to invest in attractively valued companies with sound balance sheets and strong growth outlooks.

* mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer.

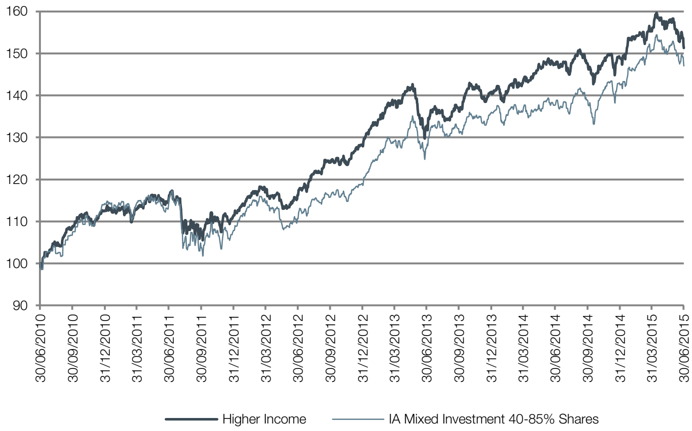
Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more. The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

Asset allocation by sector at 30 June 2015

The figures in brackets show allocation at 31 December 2014



Performance



Graph showing the return of the Higher Income Fund compared to IA Mixed Investment 40-85% Shares Sector Average from 30 June 2010 to 30 June 2015, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

Performance and ranking

	Higher Income Fund Total Return	Higher Income Fund Rank	IA Mixed Investment 40-85% Shares Sector Average Total Return	IA Mixed Investment 40-85% Shares Sector Average Number
01/01/15 – 30/06/15	1.7%	117	3.1%	139
01/01/14 – 31/12/14	5.7%	48	4.9%	136
01/01/13 – 31/12/13	10.1%	127	14.6%	140

	Higher Income Fund Total Return	Higher Income Fund Rank	IA UK Equity & Bond Income Sector Average Total Return	IA UK Equity & Bond Income Sector Average Number
01/01/12 – 31/12/12	14.8%	6	12.3%	17
01/01/11 – 31/12/11	-1.1%	11	-1.2%	22
01/01/10 – 31/12/10	15.0%	3	12.2%	19

Table showing % return and ranking of the Higher Income Fund against IA Mixed Investment 40-85% Shares Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

On 1 January 2013, the Higher Income Fund transferred from the IA UK Equity & Bond Income Sector to the IA Mixed Investment 40-85% Shares Sector.

The Fund was managed in accordance with the new Sector requirements over the past 5 years, hence the performance graph compares the Fund to the new sector over that year.

Major holdings

Top ten holdings	Percentage of total net assets at 30 June 2015
Royal Dutch Shell 'B'	2.82%
BP	2.23%
GlaxoSmithKline	2.22%
Centrica	1.73%
Synthomer	1.62%
Royal Mail	1.61%
General Accident 8.875%	1.47%
China Merchants Holdings	1.45%
Aviva	1.44%
RSA Insurance 7.375%	1.40%

Ongoing Charges Figures

As at	Class A	Class B	Class C
30 June 2015	1.30%	0.80%	1.05%
31 December 2014	1.33%	0.83%	1.08%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Reward Profile

Lower risk | Higher risk

Typically lower rewards | Typically higher rewards

1 2 3 4 5 6 7

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.

Share prices

	Share price range	
Calendar year	Highest for the year (p)	Lowest for the year (p)
30 June 2015		
Share Class A	135.50	125.70
Share Class B	139.10	128.30
Share Class C	320.70	295.70
31 December 2014		
Share Class A	132.00	122.60
Share Class B	135.10	125.20
Share Class C	302.50	277.00
31 December 2013		
Share Class A	132.00	119.20
Share Class B	134.40	121.10
Share Class C	286.40	258.20
31 December 2012		
Share Class A	122.50	108.40
Share Class B	124.40	109.70
Share Class C	256.30	223.20
31 December 2011		
Share Class A	118.00	105.60
Share Class B	119.10	106.70
Share Class C	233.70	210.20
31 December 2010		
Share Class A	117.30	103.10
Share Class B	118.20	103.60
Share Class C	224.00	193.90

Fund size & Net income distributions/accumulations

		Fund size		Net income distributions/ accumulations
Calendar year	Net asset value (£)	Net asset value (p)	Number of shares in issue	Pence per share
30 June 2015				
Share Class A	118,592,070	126.24	93,940,739	1.6000
Share Class B	182,846,850	129.79	140,880,961	1.6500
Share Class C	21,370,370	302.83	7,056,946	3.1000
31 December 2014				
Share Class A	133,776,820	125.62	106,492,357	5.5320
Share Class B	128,480,538	128.87	99,701,470	5.5996
Share Class C	19,486,647	297.27	6,555,177	12.3798
31 December 2013				
Share Class A	161,590,039	124.19	130,117,147	5.4074
Share Class B	54,366,143	126.74	42,894,909	5.5041
Share Class C	16,470,090	280.88	5,863,841	11.7765
31 December 2012				
Share Class A	140,487,388	117.50	119,564,944	5.3874
Share Class B	22,690,034	119.39	19,005,296	5.4748
Share Class C	13,133,469	253.98	5,171,094	11.2199
31 December 2011				
Share Class A	108,604,602	107.26	101,256,254	5.2274
Share Class B	17,435,716	108.55	16,062,816	5.2950
Share Class C	10,392,814	221.00	4,702,594	10.3731
31 December 2010				
Share Class A	77,960,478	113.46	68,711,500	4.5364
Share Class B	17,612,187	114.52	15,378,794	4.6045
Share Class C	9,010,776	222.90	4,042,594	8.6809

UK Equity Growth Fund

Report of the Authorised Corporate Director

This review covers the period from 1 January 2015 to 30 June 2015.

Over the period the share price of the UK Equity Growth rose by 9.4%, outperforming both the rise in the FTSE All-Share Index of 3.0% and the rise in the IA All Companies sector average of 6.0%, both measured on a similar basis.

The Fund's above average exposure to small and medium sized companies contributed to outperformance. From a sector allocation perspective, the Fund benefited from being overweight in General Retailers, Media and Financial Services which performed strongly and from being underweight in Utilities, Mining, Beverages, Banks and the Oil & Gas sectors which performed poorly. An underweight position in Food & Drug Retailers and an overweight position in Industrial Engineering acted as a drag on performance.

At a stock level, Vernalis, Quantum Pharmaceuticals and Scapa were amongst the biggest contributors to performance, whilst significant detractors included Wandisco, IMI, and Rio Tinto.

In respect of Fund activity, positions in several holdings were topped up – Reed Elsevier (Media), Prudential (Insurance), St James's Place (Financial Services), ITV (Media), Dunelm (General Retailer), Barclays (Banks), BP (Oil), Informa (Media) and Quantum Pharmaceutical (Healthcare). Top slicing exercises were conducted on several holdings following strong performance – Halma (Electrical Equipment), Esure (Insurance), Ashtead (Industrial Services), Entertainment One (Media), HellermannTyton (Electrical Components), Inland Homes (Housebuilder), AA (Financial Services), LSE (Financials) and Vernalis (Healthcare).

On the M&A front, the takeover of Catlin (Insurance) by US based XL Group (part cash and shares) was completed resulting in the sale of shares received in XL Group.

Prospects

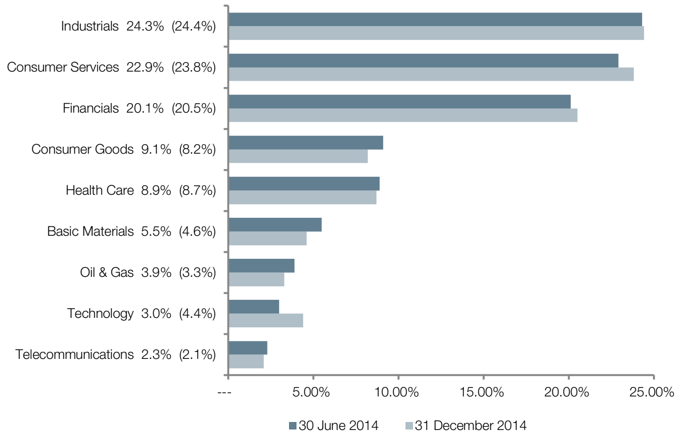
Markets continue to be dominated by macroeconomic and political uncertainties with Europe dealing with the fallout over Greece and the increased volatility in China. The fear is that the tentative signs we have seen of an economic recovery in the Eurozone since the introduction of quantitative easing in January could now be derailed. Elsewhere, the first rise in interest rates in both the US and UK could soon be in sight bringing further market volatility. With a significant number of unknowns on the horizon the portfolio is constructed with an emphasis on selecting companies whose fortunes lie more in their own hands without an over-reliance on general macroeconomic tailwinds. The portfolio is constructed by selecting stocks on the basis of their individual merits and prospects, and in this regard the prospects for the Fund's investments remain encouraging. The Fund continues to maintain healthy cash balances, patiently seeking to invest in companies at attractive valuations in line with its long-term strategy.

* mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer.

Please note: Stocks and shares should be viewed as a medium to long-term investment, usually for a period of five years or more. The value of investments can fall as well as rise. Past performance should not be seen as an indication of future performance.

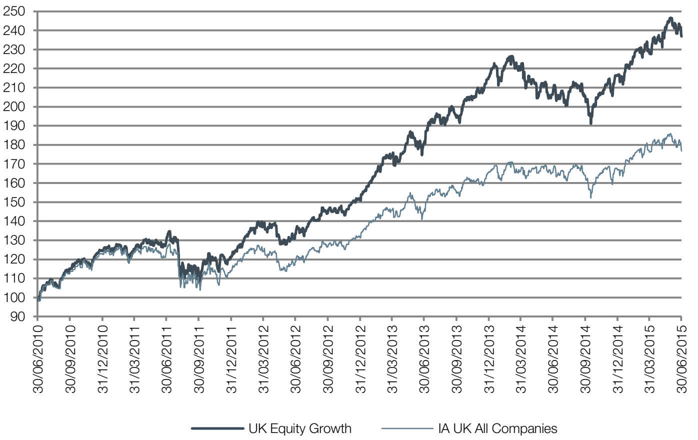
Asset allocation by sector at 30 June 2015

The figures in brackets show allocation at 31 December 2014



Figures exclude cash

Performance



Graph showing the return of the UK Equity Growth Fund compared to IA UK All Companies Sector Average from 30 June 2010 to 30 June 2015, mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Prices re-based to 100. Source: Morningstar.

Performance and ranking

	UK Equity Growth Fund		IA UK All Companies Sector Average	
	Total Return	Rank	Total Return	Number
01/01/15 – 30/06/15	9.4%	44	6.0%	273
01/01/14 – 31/12/14	0.4%	137	0.7%	272
01/01/13 – 31/12/13	43.0%	9	26.2%	261
01/01/12 – 31/12/12	24.2%	34	15.4%	279
01/01/11 – 31/12/11	-2.7%	34	-6.9%	295
01/01/10 – 31/12/10	21.4%	57	17.5%	296

Table showing % return and ranking of the UK Equity Growth Fund against IA UK All Companies Sector Average and total number of funds. Figures compared on a mid-to-mid basis excluding initial charges with net income reinvested for a basic rate UK taxpayer. Source: Morningstar.

Major holdings

Top ten holdings	Percentage of total net assets at 30 June 2015
Bellway	2.66%
ITV	2.41%
Next	2.30%
AA	2.23%
Prudential	2.22%
Howden Joinery	2.03%
International Consolidated Airline	1.94%
BP	1.93%
Shire	1.87%
BT	1.84%

Ongoing Charges Figures

As at	Class A	Class B	Class C
30 June 2015	1.54%	0.79%	1.29%
31 December 2014	1.57%	0.82%	1.32%

The Ongoing Charges Figure (OCF) is the ratio of the Fund's total disclosable costs (excluding overdraft interest) to the average net assets of the Fund.

Risk Reward Profile

Lower risk — Higher risk

Typically lower rewards — Typically higher rewards

1 2 3 4 **5** 6 7

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.

Share prices

	Share price range	
Calendar year	Highest for the year (p)	Lowest for the year (p)
30 June 2015		
Share Class A	252.40	216.80
Share Class B	257.90	220.90
Share Class C	341.70	293.20
31 December 2014		
Share Class A	233.00	196.00
Share Class B	237.60	200.40
Share Class C	313.00	264.40
31 December 2013		
Share Class A	222.30	159.10
Share Class B	227.60	161.80
Share Class C	297.60	211.50
31 December 2012		
Share Class A	158.60	128.70
Share Class B	162.20	130.80
Share Class C	209.20	168.30
31 December 2011		
Share Class A	142.20	114.40
Share Class B	145.00	116.80
Share Class C	184.60	148.60
31 December 2010		
Share Class A	133.40	105.20
Share Class B	136.40	107.20
Share Class C	170.60	134.40

Fund size & Net income distributions/accumulations

		Fund size		Net income distributions/ accumulations
Calendar year	Net asset value (£)	Net asset value (p)	Number of shares in issue	Pence per share
30 June 2015				
Share Class A	31,442,552	240.93	13,050,716	0.8000
Share Class B	150,173,039	246.08	61,027,038	1.1000
Share Class C	16,241,694	327.36	4,961,425	1.0000
31 December 2014				
Share Class A	36,749,670	220.57	16,661,594	0.9894
Share Class B	127,479,878	224.64	56,747,985	2.6815
Share Class C	15,805,410	298.26	5,299,129	2.0431
31 December 2013				
Share Class A	38,601,369	221.05	17,463,020	1.3395
Share Class B	99,327,152	225.07	44,131,486	2.9366
Share Class C	17,131,237	296.78	5,772,419	2.5414
31 December 2012				
Share Class A	11,899,867	155.46	7,654,375	2.0255
Share Class B	63,989,902	158.11	40,471,284	3.2722
Share Class C	13,133,419	206.71	6,353,415	3.2393
31 December 2011				
Share Class A	7,827,060	126.94	6,165,820	1.5501
Share Class B	52,215,539	129.04	40,464,728	2.7552
Share Class C	11,195,672	166.01	6,743,915	2.6173
31 December 2010				
Share Class A	7,914,136	131.66	6,011,227	1.6321
Share Class B	54,150,383	133.82	40,464,728	2.7463
Share Class C	12,248,504	169.55	7,223,915	2.6746

For further information call us on
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